

BEARINGS
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NEWS SUMMARY

BUSINESS

Equities down 4.8; Gilts better

● **EQUITIES** were dull in a market undermined by fears of labour troubles and the FT ordinary share index fell 4.8 to 501.2.

● **GILTS** recovered on bear covering among shorts, and the Government Securities index closed 0.05 up at 70.02.

● **STERLING** rose 21 points to \$1.9730 and its trade-weighted index closed at 62.7 (62.6). The dollar's depreciation narrowed to 9.1 per cent (9.3).

● **Gold** rose \$2 to \$217.10 in London, and in New York the October Comex settlement price fell to \$218.10 (\$219).

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Government agrees Peugeot takeover of Chrysler UK

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

The last significant hurdle in Peugeot's bid to create the largest motor group in Europe was cleared yesterday when the British Government gave its approval to the French company's takeover of Chrysler UK.

Following this announcement, Peugeot, which has been in the UK since 1975, is now free to complete its acquisition of the whole of Chrysler Corporation's European interests by the end of the year.

The deal still has to be approved by the French Government and the company's shareholders, but this is not expected to cause any difficulties.

A Declaration of Intent signed with the British Government yesterday, underlines Peugeot's intention of trying to maintain and build upon the present organisation of Chrysler Europe.

This means that the French group will emerge as the largest car producer in Europe, with a current output of 2.3m units a year and with the largest market share in the region - almost 18 per cent, against Ford's 13 per cent last year.

The deal will also give Peugeot a link in the U.S. via Chrysler, which is acquiring 15 per cent in the French group's equity as part-payment for its European operations.

This is expected to lead in due course to technical links between the two companies and to the possibility of Peugeot distribut-

ing its cars through Chrysler in the U.S.

The British Government's attitude to this radical reorganisation of the European industry has been the most important stumbling block faced by the French group because of the complex series of loans and grants which were given in 1975 to Chrysler UK under the 1975 rescue agreement. The status of these agreements has had to be renegotiated.

At the same time, the British Government has had to take note of the potential new element of competition which could be created by the reorganised group.

This could clearly cause problems to BL, the State-owned company which, only this year, received £400m. worth of new equity from the Government.

The British Government appears to have taken the view that it has had little option but to accept the deal.

Alternatives, such as the purchase of Chrysler UK by BL or the National Enterprise Board, were rejected.

The Government has also accepted that it could not make the agreement with Peugeot legally binding. Despite some dissatisfaction over the fact that

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Lucas to fight for Ducellier control

By Kenneth Gooding in London and Robert Maudsley in Paris

LUCAS INDUSTRIES, the UK car components group, last night said it had started legal proceedings in connection with its battle to take control of Ducellier, the French electronic components concern.

Earlier yesterday it was announced in Paris that Ferodo of France had acquired effective control of Ducellier, although details were vague.

Lucas already has a 49 per cent stake in Ducellier and the other 51 per cent was controlled by DBA, the French subsidiary of the Bendix group of the U.S.

Since January, Lucas has been attempting to obtain the approval of the French authorities for its \$26m bid to buy the DBA interest.

But the French Government, anxious to build up a French-controlled components industry which could compete with the two major European forces in the field, Lucas and Bosch, of West Germany - refused to authorise the deal while actively supporting the search for a "French solution".

In the UK Lucas said: "In the light of the legal proceedings which Lucas has instituted regarding the reported transaction between DBA and Ferodo, Lucas would prefer to refrain from comment for the time being."

After the announcement last month that Peugeot would buy Chrysler's operations in the UK, Lucas tried hard to persuade the British Government to make its approval of the Peugeot deal conditional on French authorisation for the Lucas bid for Ducellier.

The matter was subsequently raised by British officials in the Anglo-French industrial committee set up after the summit meeting between President Giscard d'Estaing and Mr. James Callaghan last December.

There was speculation in Paris yesterday that the British Government had agreed to abandon its lobbying on behalf of Lucas in return for French concessions in the negotiations on the UK's proposed entry into the European Airbus consortium.

The terms of the deal under which Ferodo says it will acquire effective control of Ducellier, which last year made a net profit of FF 800m (£83m), thus raising the top three of the European car components league, remain extremely vague.

No price has been announced and a communiqué issued by SEV merely stated that Ferodo had bought a majority interest in what was described as an "association" with DBA which particularly concerned Ducellier.

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Tough line by Botha expected

BY QUENTIN PEEL

CAPE TOWN, Sept. 28.

MR. P. W. BOTHA, South Africa's tough Defence Minister, was elected Prime Minister today in succession to Mr. John Vorster, as appointment likely to lead to a more hostile South African attitude towards negotiations with the international community.

Mr. Botha emerged victor from a closely-fought three-way battle for the leadership of the ruling National Party at a meeting of the party caucus in Cape Town. His opponents were Dr. Connie Mulder, Minister of Plural Relations (African Affairs) and Mr. F. P. "Pik" Botha, the Foreign Minister.

The new Premier immediately pledged himself to continue Mr. Vorster's policies, and named orderly government and maintenance of law and order as prime objectives of his administration. He is to retain the Defence portfolio.

He is unlikely to change the Government's internal policy of separate racial development, combined with moves to reduce petty discrimination, but his appointment could have a marked impact on international relations.

Mr. Botha has consistently opposed Pretoria's negotiations with the five Western Powers for an internationally approved settlement in Namibia. His views were apparently accepted by the Cabinet last week when it rejected UN settlement terms and unilaterally gave the go-ahead for elections in the territory.

He did not today say whether he intended to change the direction on Namibia, though he did add that "the door is always open for further discussions."

The position adopted by Mr. Botha on both Rhodesia and Namibia will be of major international importance and some diplomats here are concerned about his reputation for impulsiveness.

Although he might be expected to be particularly sympathetic toward Rhodesia, this is not

thought likely to precipitate more direct South African intervention in Rhodesia.

It took two votes in the caucus made up of Nationalist MPs and Senators before Mr. Botha emerged the winner. In a first ballot he was only just ahead of Dr. Mulder, by 78 votes to 72, while Mr. Pik Botha won only 22 votes and dropped out of the race. In the second round Mr. P. W. Botha won 88 votes to Dr. Mulder's 74.

The caucus meeting lasted for almost two hours, after a relatively straightforward preliminary meeting at which it was unanimously decided to nominate Mr. Vorster as party candidate for State President. The election for that position, which is almost entirely ceremonial, is at a meeting of both Chambers of Parliament held tomorrow.

Mr. Botha greeted his victory with a typically forthright speech stressing "patriotism and duty" in the South African response to a hostile outside world.

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Union calls for sanctions against low payers

BY CHRISTIAN TYLER, LABOUR EDITOR

EMPLOYERS WHO pay less than £4.50 a week the minimum wage should be sanctioned, the Labour Party has said.

The party's policy is to penalise as much as those who break the £5 per cent limit. Mr. David Bannett, general secretary of the General and Municipal Workers' Union, said yesterday:

"We call for sanctions to help the Union campaign to force recognition of the Wages Council award for 700,000 hotel and restaurant staff."

Although all council awards are exempt from pay policy, Mr. Bannett's use of the White Paper as justification for bigger increases can be seen as the first union attempt to secure a minimum earnings level as of right.

The White Paper says that in creases of more than 5 per cent can be given to individual workers to bring them up to £4.50 earnings for a normal working week.

It comes at a time when the 5 per cent limit is under considerable pressure not only from the shop floor but also from the TUC and from Labour Party left-wingers. They are expected to combine in an attack on the Government's inflexible limit on wage cuts at the Labour Party Conference at Blackpool next week.

Mr. Michael Gyles, Conservative MP for North West Surrey and vice-chairman of the party's industry committee, said yesterday:

"The document was described as 'any notifiable and obvious' by Mr. Michael Gyles, Conservative MP for North West Surrey and vice-chairman of the party's industry committee. He called on Mr. Denis Healey, the Chancellor, to make a full public statement about the document."

Apparently Britain now is governed not by rule of law, but by secret instructions issued and administered by the Cabinet committee on pay policy," he said.

TUC leaders are already seeking to force meetings with ministers to impress on them the dangers they foresee in the Government's tactics.

Mr. Bannett said yesterday that he would apply sanctions against employers who breach the limit was "a wrong and foolish policy."

He added: "But if it is going to go along the sanctions path at least let it show its concern for those who earn less than the Government thinks they ought to earn as well as for those who earn more."

In effect, the GMWU, which claims 25,000 members in the industry, is trying to turn a 17 to 19 per cent award by the Wages Council into a 30 per cent increase. To support its campaign, it is approaching Mr. Albert Booth, Employment Secretary, protesting that the guidance in the document was being made available to department officials but not to those who had to conduct negotiations.

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Cabinet face conference defeat, Back Page

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Strike threat by BOC workers

BY NICK GARNETT, LABOUR STAFF

MANUAL workers at British Oxygen Company's gas division would take immediate strike action if the group used a pay offer no better than Ford, their union warned yesterday.

The warning came from Mr. John Miller, the Transport and General Workers' Union national secretary for chemicals. He said it would be difficult to prevent such a sharp reaction.

The company is due to reply early next month to the workers' claim for substantial rises, improved fringe benefits and moves towards a shorter week.

Last year the division's 3,000 drivers and industrial gas

cylinder handlers mounted the first major assault on Phase Three with a four-week strike which led to an estimated 30,000 lay offs throughout industry. The unions settled within pay guidelines, but with a productivity deal worth more than 10 per cent.

The Transport workers are the biggest union involved in the Ford dispute. Mr. Moss Evans, general secretary, has insisted that unions must have flexibility to settle above the Government's 5 per cent pay guidelines in some cases.

Senior union officials at BOC said yesterday there was a growing suspicion among the manual

worker that the company's customers were over ordering, possibly with company acquiescence, in preparation for a dispute.

Although some shop stewards privately doubt if the present productivity scheme can be improved, the company is thought to be preparing a new productivity offer, and has been studying the possibility of shorter working hours. It is anxious to avoid the kind of highly damaging dispute that occurred last year.

Local union officials said yesterday that they would be interested in any significant productivity offer the company made.

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OVERSEAS NEWS

Assad breaks off Mideast tour to fly to Damascus

SYRIA'S President Hafez al-Assad today broke off a Middle East tour aimed at mobilising opposition to the Camp David agreements after Kuwait was reported to have promised to help thwart the accord.

Syrian officials said that the President had urgent business in Damascus. His tour, which has already taken him to Jordan and Saudi Arabia, was to have covered other Arab countries.

Official sources in Damascus said the President had returned earlier than scheduled because of a shortage of time and because he starts an official visit to East Germany on Sunday. The sources said President Assad would resume his Arab tour after returning from East Germany.

Shortly before he left here, Assad told President Assad that he was ready to help undermine the Camp David accord, but was not likely to join the "steadfastness front" against Egypt because it considered the hard-liners' position too extreme.

Kuwait, the sources said, regarded the harsh attacks on Egypt and President Anwar Sadat by members of the front — Syria, Algeria, Libya and the Palestine Liberation Organisation — as counter-productive and likely to antagonise the Egyptians.

In Beirut, at least five people were killed and 43 wounded today in the worst round of fighting and artillery bombardment involving Syrian troops of the Arab Peace-Keeping Force since the announcement of the Camp David accord, according to the Beirut Police Department. Lebanon's Presidential palace was hit but President Elias Sarkis, who was in a different part of the building, was unhurt.

In Baghdad, a high-powered Iraqi delegation left for Beirut today to broaden the scope of co-operation with China. The visit came amid reports of a strain in Iraq's relations with the Soviet Union. Agencies

Mrs Gandhi standing for election to Parliament

NEW DELHI, Sept. 20. MRS. INDIRA GANDHI, the former Prime Minister, is expected to take up a seat in the Indian Parliament, thus launching a major campaign against the present Janata Government.

Her faction of the Congress party today gave formal approval to her decision to stand for the Chikmagalur constituency in the Southern state of Karnataka. Mrs. Gandhi's political base has traditionally been in the northern state of Uttar Pradesh but she was defeated there in the 1976 General Election which swept Congress out of power.

Mrs. Gandhi's victory has been considered a foregone conclusion since her faction of Congress established a firm hold in Karnataka by capturing the state during the elections four months ago. The member for Chikmagalur, considered a safe seat for Mrs. Gandhi, resigned recently to make way for her.

If elected, Mrs. Gandhi is expected to be formally chosen leader of the Opposition in the Lok Sabha (Lower House of Parliament) where her Congress faction is the largest single group in the Opposition benches. At present, she faces a number of charges of abuse of power during her 22-month emergency rule, but recent by-elections and state elections have indicated that the popular disillusionment with the ruling Janata Party is such that the people are willing to forget her alleged misdeeds.

SOUTH AFRICA'S NEW PRIME MINISTER A short-tempered disciplinarian

THE NEW Prime Minister of South Africa has two claims to fame: as a brilliant organiser and administrator in the ruling National Party, and as the Defence Minister who has built the South African defence force into the most formidable military machine in Africa.

The final accession to power of Pieter Willem Botha — universally known by his initials PW — was built on the strict discipline and loyalty of the Cape Province wing of the National Party he has led for 12 years, and on his reputation as a military man capable of facing the unprecedented international hostility towards his country.

Yet while he has made his name in recent years as a military hawk, he is more of a moderate than a reactionary in South African internal policy. He was the man who committed the South African armed forces to their abortive intervention in the Angolan civil war and he has most consistently opposed the Western settlement initiative in Namibia (South West Africa). At the same time he has supported the cautious moves to scrap party apartheid within the country and played a major role in drawing up the new constitution to give a share of power to the coloured (mixed race) and Indian communities.

His major defect is a volatile temperament and quick temper. "P. W. Botha is a man with a very short fuse," according to one senior diplomat who has negotiated with him.

Security Council members will today approve a resolution to establish a UN operation in Namibia during its transition to independence, regardless of South Africa's rejection of the proposals, writes our UN correspondent. It calls on South Africa to co-operate with the Secretary-General in implementing the planned UN operation and will declare any unilateral measures null and void.

As Minister of Defence for 12 years — ever since Mr. Vorster became Prime Minister — he has tended increasingly to see international relations in exclusively military terms. He has frequently blamed the Western powers for failing to adopt a consistent strategy of opposition to "Marxism and Soviet expansionism" — and recently told the Orange Free State congress of the National Party that the third world war had already begun.

"We are not a third-rate country which can be kicked around," he declared when he introduced his latest R1.5bn (€940m) defence budget. "If you want to place southern Africa on the road to progress, you will need South Africa's assistance. You will have to accept South Africa's leadership."

He has been a party political organiser all his life, and has seldom travelled outside the country. (Although he has been awarded decorations by Paraguay and the Gaetano regime in Portugal.) He began his career as a National Party organiser in 1936 at the age of 20, and eventually rose to become the chief secretary of the Party in the Cape when it first won power in 1948. He became an MP himself at the same time.

Aged 62, only one year younger than Mr. Vorster, B. W. Botha has been a close associate of his predecessor since he was Party organiser for the Stellenbosch area when the retiring Prime Minister was at university there. It was Mr. Botha whom Mr. Vorster chose to chair the cabinet constitutional committee



Pieter Willem Botha

Carter praise for Israeli vote

WASHINGTON, Sept. 20. A "new charter" to create a strong, unified Lebanon might be needed, and Mr. Carter said he was against any partition of the country.

On the question of Israeli settlements on the West Bank and in the Gaza Strip, Mr. Carter

Begin faces party split

TEL AVIV, Sept. 20. THE GOVERNMENT'S Parliamentary victory this morning in the debate on the Camp David agreements now finds Mr. Begin's position within the country strengthened.

Over two-thirds of the House backed the Prime Minister and this accurately reflects the general feeling within Israel.

From being a partisan leader of the Right-wing camp, Mr. Begin is now seen as a realist who can set aside some of his doctrine views in the greater interest of peace.

But this view is not shared by all of his party, many of whom believe that he has betrayed the principles of which he was the most ardent proponent until only a few weeks ago.

Some of his most loyal followers may now decide to desert him and form a new Nationalist Party.

The wide-scale defections within his coalition may require Mr. Begin to think about reshaping his party.

Reuter adds: Mr. Yigal Horowitz, Minister of Commerce, Industry and Tourism, resigned today in protest against Parliament's approval of the Camp David agreements. Israel Radio reported.

Rhodesian rebuff

Three of the four parties in Rhodesia's transitional Government yesterday ruled out an early all-party conference to solve the constitutional dispute, expressing surprise that the British Foreign Secretary should have promised "early" invitations to such a meeting.

Tony Hawkins reports from Salisbury.

Surprise at transfers from Saudi reserves

THE Saudi Government's recent decision to transfer nearly \$1bn from its state reserves to the budget account has caused some surprise among bankers in Jeddah, and could have repercussions on the dollar.

The first transfer of Saudi Riyals 2.2bn (\$681m) will go towards financing the gas gathering system presently being constructed in the eastern province. The project has been scaled down since first unveiled but is presently planned to collect 3.3bn cu ft of gas annually. The latest cost estimates stand at around \$1.4bn even at the reduced level.

The second royal decree — which is required for transfer under the terms of the budget — calls for the transfer of \$1bn to the general budget account.

It has always been held that since Saudi Arabia's budget surplus are mostly denominated in U.S. dollars, the Kingdom is unlikely to draw on them because of the possible effect on international confidence in the dollar, which Saudi Arabia has pledged to foster.

It could also further reduce the Kingdom's purchasing power through its existing dollar holdings.

In its May statistics, the International Monetary Fund estimated the surplus invested abroad by the Saudi Arabian Monetary Agency (SAMA) at \$51.3bn. Long-term assets would make this total considerably higher.

About half of SAMA's foreign investment is believed to be in the U.S., mostly in short-term government paper equities and bonds.

The original document for the 1978 budget called for expenditure of SR145bn against projected oil revenue of SR130bn — the first-ever Saudi deficit budget. The revenue figure was based on average oil production of 8m barrels a day (b/d) and constant oil prices for the rest of the year.

However, at the Council of Ministers' June budget meeting, the expenditure figure was cut by SR15bn, still leaving the first notional rise in expenditure for four years. Expenditure had been consistently put at SR11bn.

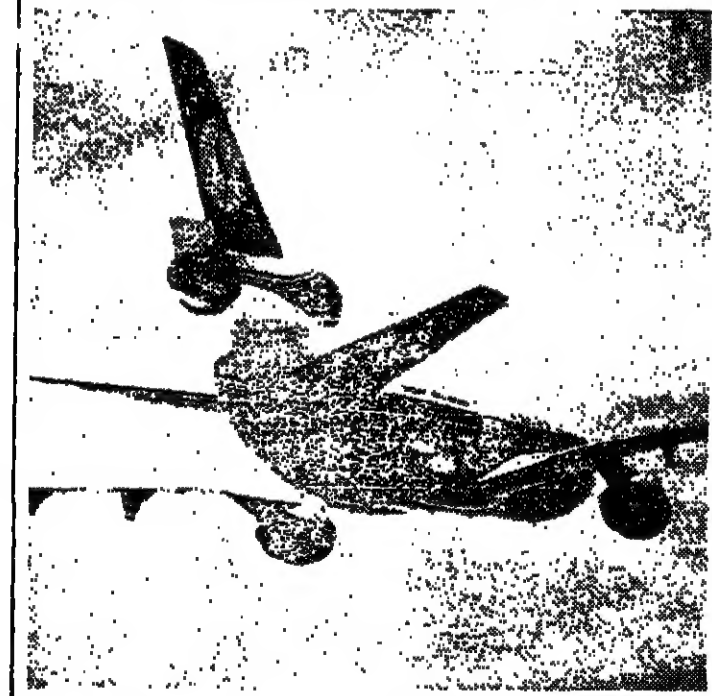
Saudi sources said at the time that the Cabinet had shown concern at the size of the proposed deficit because of the continued slide in the value of the dollar and the sluggishness of the world oil market. Across-the-board cuts in appropriations were ordered.

In fact, Saudi oil production since June has stood well short of 8m b/d. July's production was 6.7m b/d. Even a 5 per cent per barrel price increase at the December OPEC meeting will not alter the picture substantially.

Faced with the danger of a large revenue shortfall for the first time since 1973, the Government has tightened its belt. For instance, appropriations for the 20 per cent capital advance payment for the \$400m Al-Jubail pipeline were held up for two months.

In such conditions, it is not surprising that the Government decided that the gas-gathering project should be given access to a separate account.

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some of the fastest connections to the Middle and Far East, and you can begin to understand just how Sabena can answer business travellers' needs.

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airport makes it one of the most civilised in Europe, with every facility for the business traveller close at hand.

Such as the Sabena Business Club, with its office, conference and lounge. Such as the 1st class lounge. Such as one of Europe's finest duty-free shopping precincts.

The convenience doesn't just stop at the airport. For Brussels-bound travellers there's the Sabena



Sabena's first-class lounge is highly rated.

"The compact single-terminal Brussels Airport is one of the most civilised in Europe."

From the heart of the airport in 16 hours in just 16 minutes.

"Sabena is uniquely placed to give a better service to the business traveller."

With the advent of wide-bodied jets and lower airfares, flying has become more and more accessible to more and more people. Airports designed in the forties and fifties are less able to cope comfortably with the sheer numbers of passengers in the seventies.

And, of course, it is the regular full-rate paying business traveller who suffers most of all. Yet what can be done to help him?

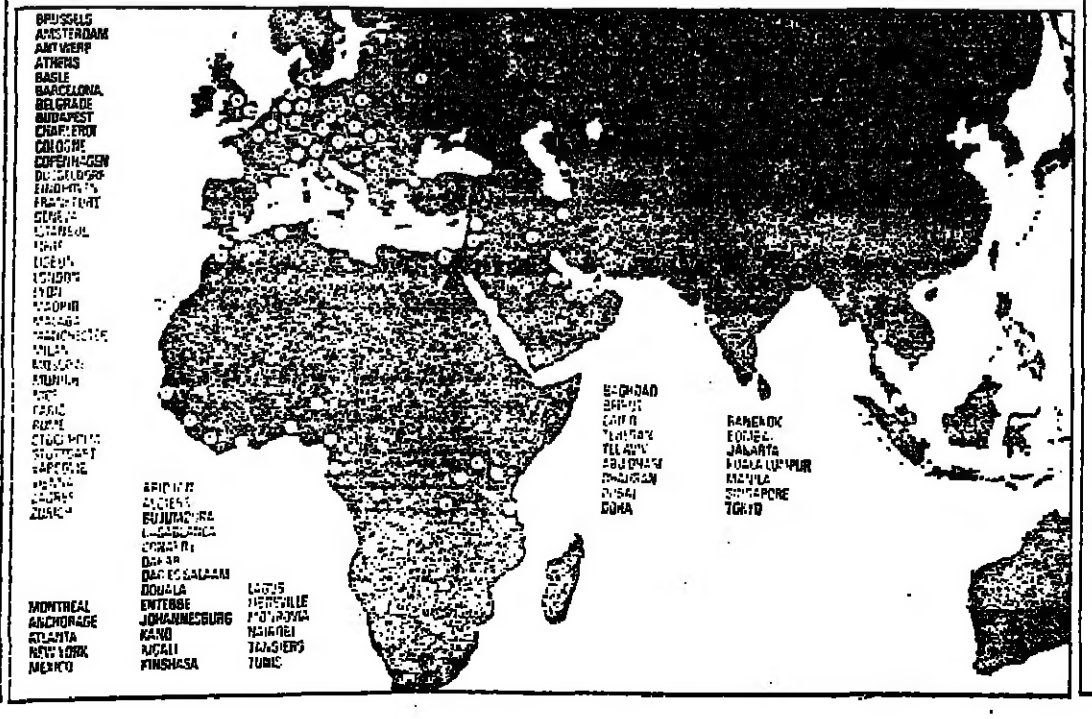
This is where Sabena comes in. Sabena is uniquely placed to give a better service for the business traveller, because it is neither a large impersonal airline, nor an overpriced small one trying to cope with a high proportion of tourists.

Sabena, being Belgium's International Airline serving the EEC capital, carries a higher proportion of business travellers than any other airline.

Couple this experience with a network giving an almost unrivalled coverage of Central Africa, and



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POLITICS IN CHINA

Troubles past and present

BY COLINA MacDOUGALL

CHINA'S NATIONAL DAY next Sunday should bring out the usual flags and line-ups that reveal Peking's current political preoccupations.

While the Chinese watchers still argue about how far there is a real split at the top, recent posters in the capital showed that the old antagonisms are far from dead.

Wu Teh, Mayor of Peking, and member of the Politbureau, who rose to his present eminence over the heads of comrades discarded in the Cultural Revolution, was once again attacked for suppressing the riots in April, 1976. If he favours the Cultural Revolution, he is thought sympathetic to him but probably too old to count much now.

The mystery man, Wang Tung-hsing, who put the present leadership in power with his crack troops, seems to have moved towards Hua, with a recent speech speaking in favour of the Cultural Revolution.

This line-up hardly comes as a surprise. There is no avoiding the fact that Chairman Hua Kuofeng will seem much more expedient.

Naturally, the Chinese, though they admit to economic and social problems, gloss over the political ones. Such difficulties are seen as "unhelpful" when Peking is trying to project a new image abroad. But there is plenty of evidence that they exist. For instance, in early September, the authoritative voice of the People's Daily pointed out that some "counter-revolutionaries" were still endeavouring to undermine the lives and property of a few days later Peking radio referred to the "real and serious danger" of the "restoration of the overthrown classes."

Provincial radios have kept up a steady barrage all this year against supporters of the Gang of Four. Senior provincial officials have been dismissed and denounced. Tientsin's top party official was sacked in July. Hupeh's in August. The surprising factor is not the dismissals (both places have been hot-beds of trouble) but the lapse of time between them and the fall of the Gang in October 1976.

Tientsin and Hupeh are both very important politically and industrially (Tientsin is China's third largest city and Hupeh province is the site of the huge industrial conurbation of Wuhan). It is striking that Gang supporters should be strong enough to keep their jobs for nearly two years after the fall of the Four.

Fundamentally, the Chinese are faced with two sorts of political problem. One is the antagonism between those who were for and against the Cultural Revolution, which is clearest at the top but seems to run all the way down the hierarchy. While it was often a case of haves versus have-nots, it was complicated by the webs of personal allegiance that bind Chinese to one another. The other is a restless and politically confused population whose expectations are higher than they have been for many years.

In the top leadership the differences are gradually becoming more clear-cut, though they do not yet appear to affect policy. Subtle variations in line have emerged: Hua stresses politics and Teng stresses work. On the country's top policy-making body, the five-man Politbureau standing committee (Hua, Teng

and three others), the weight culminated, the attempted coup by the Gang in 1976, which rested on arming the workers' militia, showed that violence was still below the surface.

The Red Guards, who caused most trouble in 1966-69, have long since been disbanded, exiled to remote rural areas in 1968. Mostly students at that time, they were politically naive, ruthlessly exploited and completely demoralised by their orders to attack the party, father, the only arbiter of right and wrong. Sadder and wiser now, they are likely to back the Government with cynicism.

They were followed into exile every year by millions more, half-educated school graduates whose career prospects were blighted by post-Cultural Revolution education policies. Though a few bright ones may earn places at universities under today's policies, most of them — and that means many millions — will remain a constant source of discontent and friction.

Whoever leads in Peking is going to have to face these restless masses. Teng was well-known as a hard-liner in the 1960s and his current approach seems to be to frog-march China into modernisation. Only the other day an economic minister reported that docking staff-wages (by nearly half) had been "wonderfully effective" in raising restaurant standards in Yunnan, and he proposed to apply the same sanctions right across industry. Arbitrary punishment like this could lead to very ugly scenes in the more turbulent cities.

Much will depend on how far Peking can fulfil the expectations it has already raised. Even today people would be prepared to endure temporary hardship as long as the Government can be seen to be delivering the goods. Implicitly, Peking has promised a better life for everyone by the end of the century, a completion of the extensive list of new plants and reform of agriculture which are to set China on the road to prosperity. But it already seems that this programme cannot be finished by then. What will happen if the Chinese people think they have been misled yet again?

One incident provides a clue. During the summer a Westerner went into a shop in a large industrial town in China. It was the scene of bloody factional fighting in the Cultural Revolution and riots in 1976. As he looked around, he noticed a foreign watch, identical to one he was wearing. "How much is that?" he asked. "The Government's making a lot of profit," he said. "I paid a third of that outside China for mine."

At that, the murmurs of interest from the bystanders turned to a high-pitched buzz and in no time to an angry roar. Just as a multi-tiet was on the point of erupting, the police arrived, cleared and closed the shop and hustled the foreigner away. If an idle remark about the inflated price of watches produced that kind of scene, the consequences of more serious frustrated expectations can be imagined.

Press since the fall of the Gang, the People's Daily has also said there are some scores it would be wrong not to settle.

Lower down the hierarchy, the old revolutionary cadres — Teng's generation — are moving steadily back into positions of power and influence. These veterans gained their most solid experience of government in the 1950s, when China pressed ahead successfully with industrialisation with population thankful for peace at any price. One wonders if they are equipped to navigate the shoals ahead, faced with a much more demanding people and a more ambitious modernisation programme.

After all the troubles of the past 12 years it would be no wonder if the Chinese were disillusioned and resentful. Officials certainly are afraid of identifying themselves with any policy at all in case the pendulum swings yet again back to the left. They have seen it all before, several times.

The violence of the Cultural Revolution caused havoc which is repeatedly recalled as hardly a day passes now without news of some victim (sometimes whole families) who died, often gruelingly, in 1967 or 1968 at the hands of Gang supporters.

The middle 1970s, too, were troubled years when absenteeism was common, crime and black markets were run by deserters from communes and industry flourished as never before. The

arter concerned at sharp ses in U.S. interest rates

JOHN WYLES
PRESIDENT CARTER has expressed concern about recent increases in U.S. interest rates. He has suggested that monetary policy initiatives on prices and wages must be taken to reduce the need for them to be higher.

President's remarks came with a general move by several banks to raise their rates from 9 1/2 to 10 per cent.

It was the second 1 per cent rise in U.S. prime rates in ten months and reflects the Federal Reserve's move to raise short-term interest rates.

One of the Fed's moves has been to raise the discount rate from 5 to 6 per cent. The new prime rate is only a temporary staging area en route to a charge of 10 per cent.

Carter made it clear yesterday that he feared the Fed's tightening of credit might lead to a general economic recession.

The Administration was voicing similar concerns early in the year when rates were significantly lower than now but had warned ready to swallow subsequent increases in the interest rates.

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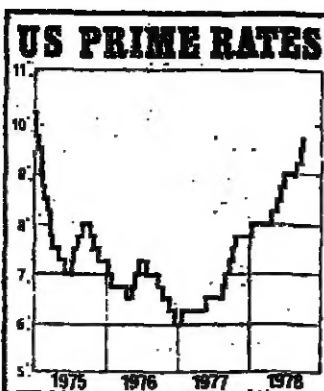
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NEW YORK, Sept. 28.

He had told his economic aides that he wanted to move "expediently and strongly."

The new policy, coupled with further moves to reduce projected Federal Budget deficits, might influence the Federal Reserve not to raise interest rates further and eventually to reduce them, the President added.

"I think interest rates are too high and I would hate to see them go any further."

He indicated he would not spend time courting the support of business and organized labor for the tougher wages and prices policy.

But he hoped there would be enough public support for a sharper attack on inflation.

While a host of banks were raising prime rates to the highest level since January 1975, it was reported that some were also raising broker loan rates to 9 1/2 per cent.

Meanwhile, latest money supply figures published by the Federal Reserve held out little prospect of an early easing of credit conditions.

M1 was up by \$800m in the latest reporting week and M2 by \$1bn.

Thus, money supply growth is still running ahead of the Fed's target.

The Senate Banking Committee has approved legislation authorising the Treasury Department to sell gold in one-ounce waters. The bill now goes to the full Senate.

Emergency move on rail strike

By Stewart Fleming

NEW YORK, Sept. 28.

PRESIDENT CARTER moved swiftly today to try to avoid the breakdown in rail dispute negotiations plunging the U.S. into industrial chaos.

In the wake of the breakdown, he had appointed an Emergency Board to investigate the dispute, he announced at his mid-afternoon Press conference.

Appointing the board, he said, "will take the railway workers back on the job."

The Federal Government would not hesitate to go to court to get a return to work, he warned.

The President's intervention followed moves yesterday by Mr. Ray Marshall, Labour Secretary, to end a two-month strike at the Norfolk and Western Railway.

On Tuesday, picketing at lines which intersect with the 16-state network of the Norfolk and Western had brought two-thirds of the nation's rail system to a halt.

Disruption to the nation's rail network caused somewhat today, but the continuation of the dispute is threatening to halt large sections of U.S. industry.

Today, the 24-hour noon deadline which Mr. Marshall had imposed on the talks passed without agreement being reached.

President Carter expects the House to act quickly to approve the Natural Gas Deregulation Bill already passed by the Senate.

Reuter adds, President Carter called the passage of the Bill "courageous."

Senate committee approves \$23bn tax cuts

BY DAVID BUCHAN

WASHINGTON, Sept. 28.

THE SENATE Finance Committee has approved a \$23.4bn tax cuts for next year. The Bill is not only nearly 50 per cent larger than that passed by the House of Representatives but also contains capital gains relief of \$3bn that could lead to a veto by President Carter.

The Senate committee version, which is due to be debated by the full Senate next week, increases from 50 to 70 per cent the amount of a capital gain such as the sale of shares or other property that is subject to regular tax.

The Administration had already expressed its hostility to a smaller amount of capital gains relief—\$1.9bn—contained in the House Bill.

In any case the Senate will have to trim its tax cut Bill, because it is already over the \$23.4bn ceiling Congress has set for next year's Budget deficit.

That should not be too hard for the Senate Finance Committee, which has a number of traditional special interest amendments, including tax relief for horse breeders, Maine and Arkansas chicken farmers, and a \$7m tax cut for Texas International Airlines.

Administration economists consider that too large a tax cut next year would be unwise if inflation is to be mastered.

On the other hand, a tax cut of some size is needed if only to offset a \$8bn increase in social security taxes next January.

But President Carter has going to have to come down.

WASHINGTON, Sept. 28.

he warned that he would rather have no tax cut at all—even if this were politically damaging in the run-up to the November mid-term Congressional elections—rather than a Bill he considers biased towards the well-off.

In fact, the Senate committee has been more generous than the House in the amount of tax relief it would give low- and middle-income Americans, particularly in the \$10,000-\$40,000 salary range.

The U.S. Treasury denounced the tax Bill as unacceptable because of its costs in years beyond 1979. Reuter adds that of some size is needed if only to offset a \$8bn increase in social security taxes next January.

But President Carter has going to have to come down.

One of the factors contributing to the length of the strike has been the publishers' unity over his best efforts to encourage a settlement.

Mr. MacDonald said Mr. Murdoch was "upset" after Tuesday's meeting. Mr. Murdoch's lawyer, Mr. Howard Squidron, is said to have attacked Mr. Kheel's role. "The publishers then went into a caucus," said Mr. MacDonald, "and when they came back, the Times and the News said they would continue to negotiate on the ground rules agreed for Kheel—and then the Post walked out."

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Murdoch's exit helpful, print unions claim

By Our Own Correspondent

NEW YORK printing union leaders claimed today that the withdrawal of Mr. Rupert Murdoch's New York Post from joint negotiations had enhanced the prospects of settling the strike by newspaper print workers, which has now lasted seven weeks.

At the same time, Mr. Murdoch was warned by Mr. George MacDonald, president of the Allied Printing Trades Council (which covers ten unions) that he was unlikely to win a more favourable settlement by parting company with the

NEW YORK Times and the Daily News.

Mr. Murdoch's representatives walked out of negotiations yesterday afternoon, claiming that they could not accept the development of a mediating role for Mr. Theodore Kheel, who was appointed as an observer-adviser by the Allied Printing Trades Council.

Mr. Murdoch, who is president of the New York Publishers' Association, was apparently unhappy with Mr. Kheel's arrival on the scene two weeks ago, but it was thought that talks in Washington on Tuesday had produced a general agreement that Mr. Kheel could use

his best efforts to encourage a settlement.

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WORLD TRADE NEWS

Nissan trucks to be made in Portugal

BY CHARLES SMITH

TOKYO, Sept. 28.

NISSAN MOTOR Company has announced plans to produce a European version of its "Asia" truck, which was specially designed for assembly in South-East Asian countries and has been under production in Thailand since June.

The vehicle, renamed the "Sado" for the European market, will be assembled in Portugal from next spring and exported mainly to southern European and African markets.

The Sado is a commercial vehicle which will be available in four types in Europe as a pick-up truck, aluminium van, microbus and ambulance. It will be assembled by Entrepoteo Commercial de Autoveiculos, Nissan's Portuguese distributor, in Oporto.

Entrepoteo already assembles Nissan passenger cars for the Portuguese market at the rate of some 25,000 vehicles per year, but this will be its first venture into exports.

The Sado project will start on a small scale, with the assembly of only 100 vehicles per month, but may be stepped up rapidly, depending on market reaction. The Sado will cost ¥10,000 in its pick-up version.

Nissan says it designed the Sado to maximise the amount of local content which could be included in overseas CKD assembly ventures. In the Portuguese project, the Sado's outer panels, shock absorbers, tyres and glass will all be locally manufactured. The engine and chassis will be shipped from Japan.

Nissan's Portuguese assembly operation is one of two in Western Europe, the other being in Ireland. The company apparently chose Portugal as the site for the Sado project because of its proximity to markets where the car is likely to be sold.

Boost for TV industry

BY YOKO SHIBATA

TOKYO, Sept. 28.

WITH THE start of world's first sound multiplex TV broadcasts today, Japanese home electric appliance manufacturers expect demand for related equipment to increase rapidly.

The Posts and Telecommunications Ministry recently granted licences for sound multiplex broadcasts for seven TV stations.

In order to receive stereophonic and bilingual broadcasts, viewers have to install a special tuner or adaptor, or buy new TV receivers.

Adaptors cost around ¥30,000 to ¥40,000 (£20-£107) and ¥40,000 to ¥50,000 for tuners, while TV receivers with built-in speakers and tuners will cost ¥30,000 more than conventional colour TV receivers.

It is estimated that ¥370bn-worth of demand for new equipment will be created in the next three years by the broadcasts.

Hopes rise in Lisbon on textiles

LISBON, Sept. 28.

PORTUGAL expects to export 30bn (about £33bn) worth of textile goods this year, about one-third higher than last year, according to figures just released.

This boost, when the textile industry in Europe is depressed and local industrialists are facing increased production and labour costs.

This year's higher figure has been considerably helped by the success of the annual textile fair "Portex 78" just ended in the northern city of Oporto. The fair's organisers claim that 5,000m-worth of orders were taken during the five-day fair which, added to the official forecast for the industry this year, will give the record export figure mentioned.

The fair, which closed on September 22, drew buyers from 28 foreign countries led by Britain with 219 visitors. France with 173 and West Germany with 108 were the next most important group of visitors.

Portugal's textile trade employs some 150,000 workers and is concentrated in the north of the country where it is the biggest job provider.

It is characterised by its division into hundreds of small concerns which struggle to remain profitable and fall to take advantage of economies of scale which a rationalised industry could bring.

Reuter

Hong Kong air service to Canton likely next month

BY MELINDA LIU

HONG KONG, Sept. 28.

A HIGH-LEVEL Chinese civil aviation team arrived here today for final negotiations on the opening of daily passenger flights connecting Hong Kong and Canton, scheduled to start before the beginning of the autumn trade fair in Canton on October 15.

Rumours of an impending Hong Kong-Canton air link have periodically surfaced here, particularly in connection with the spring and autumn Canton trade fairs.

But this is the first time that officials from the Civil Aviation Administration of China (CAAC), Peking's flag carrier, have confirmed the plan. CAAC officials in Canton did so in an interview published in the Hong Kong-based Communist newspaper, Ta Kung Pao.

The route will be flown by Chinese-owned 100-passenger British Trident and a one-way trip will take about 25 minutes.

Apparently to be discontinued at the end of the month-long trade fair in Canton, the service will help transport some of the large number of businessmen and tourists expected at the fair. The number exceeded 30,000 last year and the same trip by train can take seven hours.

When the service begins, it will be the first resumption of nearly 30 years of an air link between the British Colony and Canton. The service will technically involve non-scheduled chartered flights—at least once a day each way, with more depending on demand—since the absence of a functional Britain-China air service agreement precludes the establishment of a regular scheduled passenger service.

Chinese officials in Peking recently told a visiting British trade delegation led by Trade Secretary Edmund Dell that talks on the Britain-China civil aviation agreement would be reopened. An agreement was initiated in 1973 but never successfully resolved.

Power station approved

HONG KONG, Sept. 28.

THE GOVERNMENT here has approved an application from Hong Kong Electric Company to build a power station on Lamma Island to meet the expected growth of demand for electricity on Hong Kong Island.

This demand is expected to grow at an average rate of about 10 per cent each year for the next 10 years.

Earlier this year, General Electric Company was awarded a £100m contract for the supply of generating sets for a new power station being built by Chius Light and Power Company, which supplies electricity to Kowloon and New Territories.

This, the biggest order ever placed for British generating equipment, was for the first phase of a power development scheme that will cost about £350m.

EEC delegation to China sees 'great possibilities'

BY JOHN HOFFMANN

PEKING, Sept. 28.

THE EUROPEAN Economic Community delegation led by the Commissioner for External Affairs, Mr. Wilhelm Haferkamp, ended its discussions in Peking today convinced of "huge and permanent possibilities for co-operation between the EEC and China."

The delegation of 30 EEC officials and businessmen has spent four days in high-level consultations with Chinese trade and economic leaders, strengthening the structure of the five-year EEC-China trade agreement which was signed in Brussels last April.

Before leaving Peking today for Shanghai and Hankow, Mr. Haferkamp said members of the mission had completed lengthy and fruitful discussions with China's Foreign Trade Minister, Li Chang, Vice-Premier Li Hsien-nien, who is a chief economic spokesman, Chairman Hua Kuo-fang and other senior members of the Chinese leadership.

Representatives of European industries, banks and trade union organisations had also talked with their counterparts in Peking.

"We were informed very intensively about China's 'four modernisations' plan and we can see the possibilities of Europe contributing to the realisation of the programme," said Mr. Haferkamp.

The programme has set the year 2000 as the target date for bringing industry, agriculture, defence and science and technology up to advanced world standards.

The delegation's visit had been a goodwill and exploratory mission, he said. Discussions had been mainly in general terms and it had been agreed that experts on both sides would now take up detailed discussions which could lead to firm agreements.

It had also been agreed that a mixed Commission representing China and the nine EEC member countries would have its first meeting in Peking early next year. Mr. Haferkamp announced. In addition, the president of the EEC Commission, Mr. Roy Jenkins, would visit China next spring. The date of the visit would be announced soon.

During talks with the EEC officials, China has reaffirmed its acceptance of conventional international practices in trade and financing. Mr. Haferkamp said, however, that China still adhered to its two exceptions: it would not accept Government-to-Government loans and it would not allow direct investment in China.

The delegation had been impressed by the realism of the Chinese in all their discussions. "We are convinced that large plans of the 'four modernisations' can be achieved," he said. "We are convinced that there are huge and permanent possibilities for co-operation between the EEC and China."

Follow-up talks between Europe and China "at civil servant level" would cover administration, industry, energy and agriculture.

Asked whether the EEC would respond with sufficient speed to satisfy China's anxiety to show quick results, Mr. Haferkamp said: "Chairman Hua told us that China was patient. Some times there is reason for impatience in the EEC because of the administrative processes, but there is constant and active progress."

He outlined the role of the EEC Commission in implementing the five-year trade agreement. We can create a framework by laying down rules and which both sides agree. Businesses will then operate within that framework.

Mr. Haferkamp agreed that the EEC would expect to increase its exports to Europe in order to finance the massive imports envisaged—but he was guarded about the range of products Europe would buy.

"It depends on China's production and on its marketing practices in Europe," he said. "The one of the matters of high priority for export and detailed discussion. The Chinese have its exports to Europe in order to finance the massive imports envisaged—but he was guarded about the range of products Europe would buy."

The EEC was aware of the difficulties created for China by European tariffs and the textile question had been discussed in Brussels at China's request. Last week the EEC Commission had decided to enlarge the list of "liberalised" Chinese products and that list would be further enlarged depending on the progress, said Mr. Haferkamp.

The delegation had concentrated on trade possibilities during its visit, he said. "But stress that the co-operation in the past the increase of production capacity had been foremost. He said today that German chemical companies were concerned with cost-saving investments for alternative materials and methods, replacement and within a reasonable time by campaigns for protecting the German chemical companies environment."

French hit at bearings 'dumping'

FRENCH makers of ball bearings have urged the Government to take steps to check growing "unfair" competition from Eastern Europe. AP-DJ reported from Paris yesterday.

A communiqué issued by the Industry Federation accused East European manufacturers of systematically undercutting prices. It claims that bearings imported from Eastern Europe sell at prices ranging between 15 per cent and 20 per cent below those prevailing in France and other European countries.

It says that, because East European countries need foreign currencies, their export prices are fixed without taking production costs into account.

The federation points out that Société SFT France, the leading manufacturer of ball bearings, was forced to shut down one of its plants and lay off more than 300 workers because of unfair competition.

The French ball bearing industry has an annual turnover of 2bn, and employs 13,500 people.

Soviet TV order

A contract for the supply of over £2m worth of TV tube production equipment to the USSR has been won by two British companies, Steno Alderson Sturdy of Wombourne, near Wolverhampton, and Edwards High Vacuum of Crawley, Sussex. The companies are to supply two colour TV tube exhaust lines with a combined capacity of over 150 tubes an hour and installation at a new Soviet production facility near Moscow will be completed later next year.

Satellite link

Nippon Electric said it had received a ¥7.2bn order from Libya for three ground stations for an international telecommunications satellite link. The yen-dominated contract awarded by Libya's posts and telecommunications corporation, calls for building two stations, each with a 32 metre parabolic antenna, and one movable station with an 11 metre parabolic antenna in the suburbs of Tripoli by January 1980.

PAL for Spain

Spanish Television said it had chosen the West German PAL colour television system instead of the French SECAM method. The Spanish Government still has to approve the State-owned company's decision, a spokesman said. An estimated 2m television sets are in service in Spain, the vast majority black and white.

Mexico turbine plant

International Harvester said its Solar Turbine International group has formed a joint venture to build a plant in Veracruz, Mexico, for assembly, test and overhaul of gas turbines and compressors. Participating in the joint venture are Solar Turbines Ltd, an overseas operating subsidiary of the group, and Corporación Dyma-Vulkano, Solar's current sales representative in Mexico.

ENI licence

Snamprogetti, a company in the ENI group, has announced that the Petrochemical Corporation has been granted a licence for the construction of a 100,000 ton/year methyl-tert-butyl ether (MTBE) plant to be built in the U.S. using the Snamprogetti patented process. Petrochemical Corporation, of Houston, Texas, is a subsidiary of Tenneco.

Ecology curbs 'threaten' German investment

BY SUE CAMERON

THE GERMAN chemical industry will have to rely increasingly on investment abroad because of the "excessive" cost of meeting environmental safety standards at home, according to Professor Herbert Grunewald, chairman of Bayer, one of the leading West German chemical companies.

Professor Grunewald, speaking today at a German Chamber of Industry and Commerce lunch in London, said the growing number of Government regulations—particularly those concerning the environment—were tying up billions of Marks worth of investment projects in Germany itself. He claimed that the "excessive and increasing costs" of research and development could no longer be recovered and within a reasonable time by campaigns for protecting the German chemical companies environment.

Brazil export warning

BY DIANA SMITH

RIO DE JANEIRO, Sept. 28.

CAR MANUFACTURERS and one or two electronic or electrical equipment companies in Brazil export more than they import. Other foreign companies—especially the chemical concerns—still show little response to a government call to balance their foreign trade.

This is the conclusion of the regular chart of the foreign trade performance of 50 major companies—Brazilian and foreign—released by the foreign trade bureau of the Bank of Brazil.

From January to July this year, the overall trade deficit of these 50 concerns (5723.8m) exceeded Brazil's foreign trade deficit for the period (8834.8m).

Among the foreign car companies, the star exporters for the period were Volkswagen of Brazil, with exports of \$131.47m and imports of \$29.33m, Ford of Brazil, with exports of \$42.77m and imports of \$23.44m. General Motors of Brazil, with exports of \$62.74m and imports of \$21.34m, and Mercedes-Benz of Brazil, with exports of \$62.9m and imports of \$16.9m.

In other sectors, the high foreign exporters were Philips Radio and TV, with exports of \$82.36m and imports of \$37.37m, and IBM of Brazil, with exports of \$39.53m and imports of \$30.06m.

Apart from these exceptions, the picture is deplorable: Daniel R. Ludwig's Ferri project in the Amazon (pulp, forestry, rice and cattle breeding) accounted for 47 per cent of the foreign trade deficit of the 50 companies, with equipment imports of \$283.675m. Ciba-Geigy imported \$35.84m and exported only \$377,000. Bayer of Brazil imported \$33.77m and exported \$1.164m. Kodak of Brazil imported \$23.07m and exported \$5.26m. Pirelli of Brazil imported \$20.4m and exported \$12.9m.

BL renews Italy deal

BY KENNETH GOODING

BL is to extend the agreement under which Nuova Innocent of Italy makes a Continental version of the Mini.

A brief announcement, about the arrangement, was made yesterday by BL in the wake of speculation among the employees—totaling nearly 3,000—at the Innocent plant in Milan about their position when the current agreement comes to an end next year.

Under that agreement Innocent has been making 40,000 in the special Mini a year for the Italian, French, Swiss, German and Benelux markets. Last year the total value of each car are 25,000 were sold in Italy, where, supplied from the UK.

£15m factory for Ireland

BY STEWART DALRY

DUBLIN, Sept. 28.

LIFE SAVERS, a subsidiary of the U.S. Squibb Corporation, which makes sugar confectionery and chewing gum, is to set up a plant in Ireland with the help of the country's industrial development authority (IDA).

The company has purchased the 21-acre site on the Westford industrial estate where it plans to build a factory. The project should start later this year and production is expected to start late in 1980 and get into full swing in 1981.

All told the scheme is expected to cost £15m and provide jobs for 800 people. The IDA, which it is assumed that all the company's grants and loans as well as being able to recommend Europe, approval for a lifting of taxes on exports, is backing the project. However, in line with its usual practice, the IDA has declined to say how much of the total cost will be met by the U.S. group to slow the number of cars produced in Italy to be increased.

There is so far no indication that the plant will permit any increase in Innocent production—the drivetrain and power units, representing 40 per cent of the total value of each car are supplied from the UK.

Sime Darby

Sime Darby Holdings Limited

...another record year!

HIGHLIGHTS OF PRELIMINARY ANNOUNCEMENT OF THE RESULTS FOR THE YEAR ENDED 30TH JUNE, 1978

- TURNOVER**
—increased 28.8% to a record M\$1.74 billion
- PRE-TAX PROFIT**
—up by 21.8% to a record M\$184.4million
- ASSETS**
—assets employed increased to a record M\$1.13 billion
- DIVIDENDS**
—up 50% on last year; earnings per share 17.69 cts*
- THE FUTURE**
—Directors see continued growth

SUMMARY OF CONSOLIDATED RESULTS

	1978 M\$000	1977 M\$000	1978 £000	1977 £000
TURNOVER	1,743,234	1,352,952	395,560	316,480
PROFIT BEFORE TAXATION	184,474	151,434	41,859	35,423
PROFIT BEFORE EXTRAORDINARY ITEMS	68,703	55,538	15,589	12,991
EXTRAORDINARY ITEMS	9,512	39,942	2,158	9,343
PROFIT ATTRIBUTABLE TO SIME DARBY HOLDINGS LIMITED	78,215	95,480	17,747	22,334

NOTES: 1. The consolidated profit and loss account includes 18 months' results of Kempas (Malaysia) Berhad which became a subsidiary in December 1977; it was formerly an associated company.

2. Dividends for the year total 30% compared with 20% in the previous year after adjusting for the one-for-one bonus issue in May 1978. Included in both years' dividends is a 2.5% special dividend.

3. Extraordinary items for the previous year included a non-recurring attributable profit of \$39,745,000 on sales of land by The Amoy Canning Corporation (Hong Kong) Limited.

The 1978 Annual Report and Accounts will be sent to Shareholders on 23rd October, 1978 after which date, copies may be obtained on request from the Secretary, Sime Darby Holdings Limited, Wisma MISC, Jalan Conlay, Kuala Lumpur, Malaysia.

* Excluding extraordinary items.

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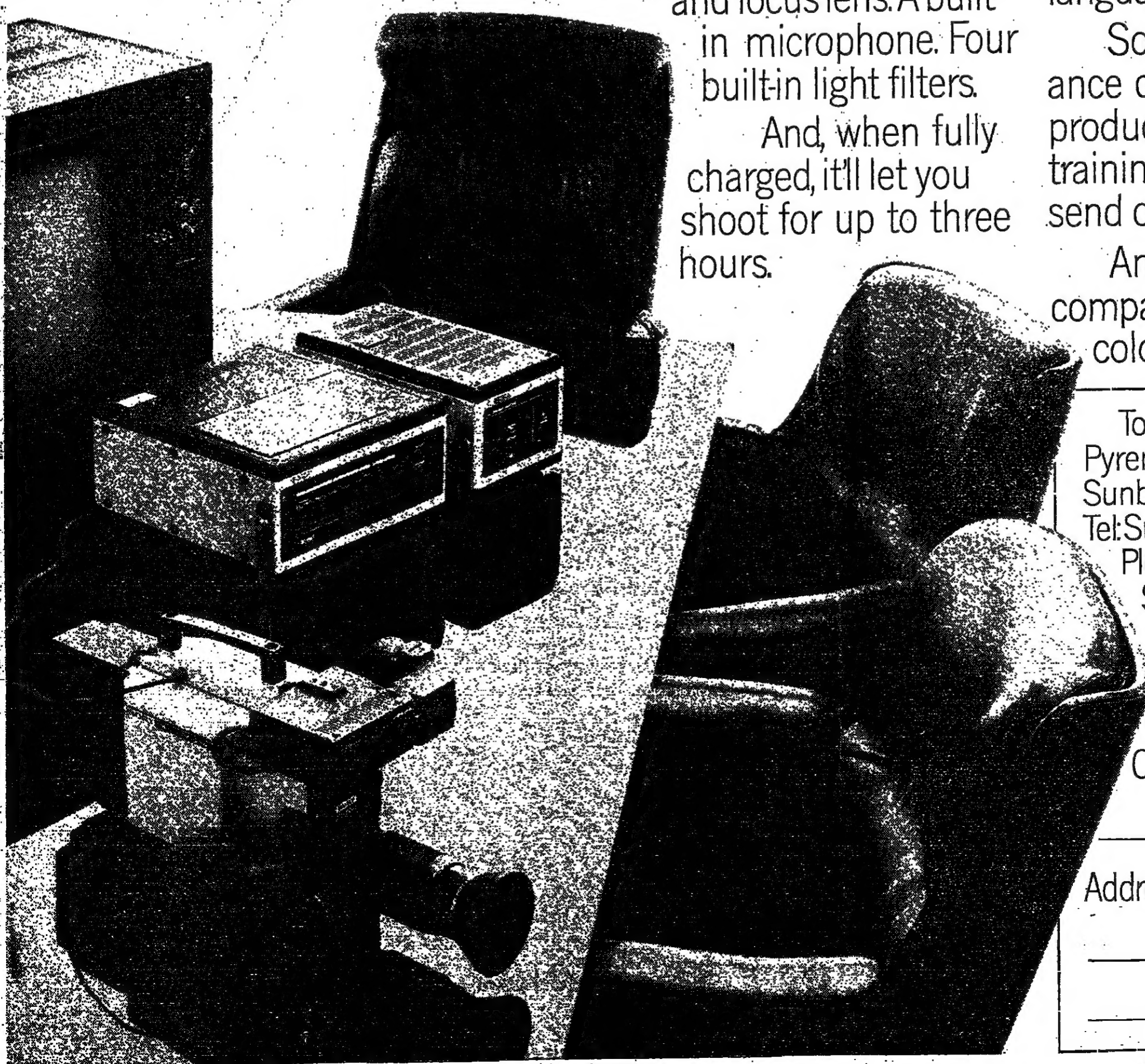
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HOME NEWS

Report recommends wider powers for the Ombudsman

BY ELINOR GOODMAN

THE Parliamentary Ombudsman should be allowed to look at Cabinet papers in his job of investigating complaints of maladministration in Whitehall, a Commons Select Committee recommended yesterday.

In a report on the work of the Parliamentary Commissioner for Administration, the committee also suggested that he might have some limited role to play in disputes over the operation of the Government's black list of companies which have broken the pay guidelines.

The Ombudsman should be able to investigate complaints about contracts or other commercial transactions.

The post of Ombudsman was established 11 years ago to deal with complaints referred to him by MPs about the way Government policies were administered.

A year ago, Justice, the British section of the International Commission of Jurists, called for fundamental changes in the way inquiries into complaints were initiated.

Right

Yesterday, the Select Committee rejected the more radical suggestions put forward by Justice, including the idea that the public should have direct access to the Ombudsman.

But it did say that there was a case for extending his jurisdiction and powers in several ways.

The Committee should have the right to examine Cabinet papers, except where the Attorney-General certified that access would either be against the public interest or prejudicial to State secrets.

Justice said in its evidence to the committee, that if governments were to continue using State contracts to enforce policies, there was a strong case for providing additional protection against the possibility of administrative injustice in this area.

The committee concluded that:

Price probe cancelled

THE PRICE Commission has for the first time cancelled an investigation into a proposed price rise. Marley Tile had told the Commission it wanted to raise prices by an average of 4.5 per cent, and the Commission decided to investigate.

But it said yesterday that since Marley Tile had withdrawn its planned price increase, it would cancel the investigation. The company is likely to seek a larger price rise early in the New Year.

Marley Tile said yesterday that it had withdrawn the application because it felt a three-month investigation, during which prices were frozen, would put it at a disadvantage if costs then rose substantially.

This was the first such cancellation of an investigation under the 1977 Price Commission Act.

Taxi fares formula put to Home Office

DAVID CHURCHILL reports on the Price Commission's sweeping inquiry into the taxi and private hire car trade and its suggested new formula for calculating higher fares.

THE PRICE COMMISSION yesterday put forward a new formula for calculating increases in taxicab charges as part of its comprehensive investigation into the taxi and private hire car trade. The investigation is the first to cover the trade and the provinces. Previous Government probes have been confined to London taxis.

The commission has not, however, put a figure on what fare increases should be allowed for taxis, leaving that for the Home Office to decide. London's 16,850 licensed taxi-drivers (not all are active at the same time) have been waiting more than 15 months for the Home Office's reply to their claim for a 25 per cent fare increase and yesterday many seemed unhappy with the prospect of further delay.

The legal difference between taxis and private hire cars, which are both covered in the report, is that a licensed taxicab (or hackney carriage) can legally ply for hire in the streets, whereas a private hire car may not.

According to the report there are 34,000 taxis and 35,000 hire cars operating in Britain. Of these, London has about 12,500 taxis and 37,000 hire cars.

At present, it is the Home Office which determines taxi fares within the London area and local authorities which regulate them elsewhere. Private hire car charges are not subject to regulation as they have to be pre-booked and the customer has the opportunity of asking the price first and of going elsewhere if dissatisfied.

But because London's taxi-drivers are the biggest and most easily identifiable single group in the trade, they tend to come in for more Government scrutiny on fare increases.

London taxi drivers have become aggrieved at having to wait so long for a fare increase, and their frustration was not helped by a delay in the commission's report because of its heavy workload. Several thousand taxi drivers recently vented their anger by blocking Whitehall in a mass protest.

Yesterday's report, while it has put forward a far more realistic framework for future fare rises, has not settled the problems. Instead, the ball has been firmly handed back to the Home Office which has to decide whether to accept the report as a basis for a new fare structure and, if so, what increase is justified.

The commission decided after its investigations that the present taxi fare structure should be broadly maintained. This includes an initial hiring charge, a combination of waiting time and mileage, and a supplement for unsocial hours, although not necessarily at their present levels.

The report emphasises the commission's concern that the initial hiring charge has in recent years increased disproportionately to other charges and that this can act as a disincentive to short-distance travellers.

It recommends, therefore, that the relationship of the hiring charge to the other charges be restored to the 1975 level by keeping the initial charge at its present level when other components are increased.

But it considers that the present charges for working unsocial hours are too low, especially in London, to produce sufficient drivers to meet demand. When fares are next increased, it says, "a substantial adjustment may then be needed to achieve the appropriate supply." The right level in each area could probably be achieved only by trial and error.

However, the commission is against extra charges for additional passengers, luggage, and pets. It argues that the only justification for such charges should be for identifiable costs or extra work or loss of earnings for the driver. "There are in any case a relatively minor ingredient in the fare and could



A London cabbie finds something to smile about

The basic fares tariff has in the past been assessed by the Home Office based on an index of movement in car purchasing and operating costs.

In recent years the commission points out, fare increases have tended to make shorter trips relatively more expensive. Between 1975 and last year, the fare for one mile rose by 35 per cent for 25 miles by 29 per cent, and for 45 miles by 18 per cent.

In the provinces, taxi fares have increased on average by 86 per cent between April 1974 and this year. This is in line with the rise in the general retail price index but slightly higher than the motorist and cycle component of the index which has been used as a benchmark for these fare rises since 1973.

But the commission concludes that a better method of determining fare levels should be considered which takes into account movements in supply and demand.

Since vehicle costs only account for about a third of the total cost of supplying a taxi service — the rest is drivers' earnings — the commission says that the reliance on increases in vehicle costs alone is misleading. It suggests a merger of a vehicle costs index — based on before the end of the year based on a model supplied by the Transport and General Workers Union — and the Department of Employment's hourly earnings index.

These two weighted into a single index would provide a measure of change in the total fare which could be applied to taxicabs in the province.

On the private hire car trade, the commission concludes that it is generally efficiently operated, providing a complementary service to taxis, and whose prices of determining demand for taxis are set by competitive forces. But it suggests the Home Office should monitor a number of factors — including the availability of taxis on the streets — to see the convergence of the demand-related index.

A combination of the supply and demand indices would enable the Home Office to calculate an acceptable percentage increase for fares.

The commission believes that, of the spring is the best time for drivers, introducing fare increases so that they are adjusted in time for the tourist season. But it cannot say with any certainty what an average London taxicab driver's income really is.

£1.5m plan raises hopes of reopening tin mine

By Paul Cheswright

Hopes of re-opening a tin mine on the edge of a Plymouth rose yesterday as it was disclosed that Amex Exploration, a subsidiary of Amex Inc., the diversified U.S. mining group, is carrying out the work as part of a plan which could earn it 50 per cent of the tin. The mine, which is held by Hemerdon Mining and Smelting, a Bermuda-registered company backed by Canadian and U.S. funds.

Mr. Carl Schwarzwald, Hemerdon chairman, said Amex had elected to go ahead with Phase Four of an exploration programme. The move is not only the feasibility study, but also the construction of a pilot plant, bulk metallurgical testing, and financial and marketing studies.

The drilling programme, to establish the dimensions of the deposit, which started in November 1976, will be continued.

Last April, Amex said drilling indicated 20m tons of tin-bearing mineralisation to a depth of 100 metres.

Problems

Various plans have been mooted over the past 10 years for an open-pit mine.

A limited operation was supervised by the Government in World War II. The technical problems then of separating the tungsten and tin from the sludge were never satisfactorily solved. This could prove to be the main difficulty facing the H.M.S.-Amex joint venture.

One aim of the pilot plant will be to find out whether laboratory techniques can be used in a commercial operation.

For the past year Amex has had 25 people working at Hemerdon. The deposit is just outside Dartmoor National Park, but is adjacent to a quarry run by English China Clay, which has leased land to the Hemerdon joint venture.

Hemerdon has had internal difficulties because shares were never issued to private investors who put up money for the Hemerdon exploration in the years up to 1976, when new management took over.

Mr. Schwarzwald said 90 per cent of the work in separating tin and tungsten from the sludge, completed by Dunwoody, a Toronto company, working for the Supreme Court of Bermuda. It is hoped to apply to the court shortly for a ruling on a share distribution.

With this problem resolved, Mr. Schwarzwald hopes that the U.S. Securities Exchange Commission will agree to open the country trading in Hemerdon shares. This might start next year, he said.

San Diego air crash claims may top £20m

By Eric Short

LIABILITY CLAIMS arising from the San Diego air disaster on Monday are likely to be around \$40m (£20.3m) according to first official estimates confirming the insurance market's original forecast.

The figure was given yesterday by the aviation division of Alexander Howden, insurance brokers to Pacific Southwest Airlines. It was based on a detailed report by investigators at the scene of the crash. The whole of the liability risk is insured in the London market.

Liability claims are less than would normally be expected because nearly 30 of the 125 passengers aboard the airline's Boeing 727 were either aircrew or the company being ferried to join other aircraft or other employees travelling on passes.

The claims of their representatives will be covered by workers' compensation insurance taken out elsewhere by the airline. However, the other facet of this case is the claims from representatives of those killed or injured on the ground. About 15 or 16 people died, four people have not been traced and some are injured although not seriously.

Mr. Peter Brewis, chief executive of Howden's aviation division, said yesterday that it was hoped to settle the claims out of court. But because of the circumstances of the accident it would be a complex affair with every aspect of responsibility being looked at.

Compulsory registration for insurance brokers

BY ERIC SHORT

PEOPLE WANTING to trade as insurance brokers will now have to pay a £25 registration fee and a further £15 each year to stay on the register.

The charges are set out in an Order published yesterday by Mr. Stanley Clinton Davis, Lord Secretary for Companies, Aviation and Shipping, under the Insurance Brokers (Registration) Act 1977.

The Act makes registration obligatory and sets out the terms for registrations. Some of the procedures to be followed have been set out in the first three published orders.

The first £25 ensures only that the broker is registered. If he intends to practice then a further fee of £50 per firm or corporate body must be paid at the outset and in each successive year.

Another order provides for the establishment and opening of the register. But this represents only the legal requirement. The Registration Council set up to administer the Act points out that brokers should not apply for registration until it has published the methods of operation.

The third order sets out a code of conduct. The three principles are that brokers must at all times conduct their business with the utmost good faith and integrity; they must place their clients' interests first, but have due regard to the interests of others; and finally, they must not use misleading or extravagant advertisements.

The order gives several examples of "do's and don'ts" for the broker. However, the British Insurance Brokers Association will soon publish a code of practice.

One feature in the code is that brokers must disclose to their clients the commission paid on a UK insurance contract.

The Insurance Brokers (Registration) Act 1977 (Commencement No. 2) Order 1978/1978/1983 (C.35).

The Insurance Brokers Registration Council (Code of Conduct) Approval Order 1978, SI 1978/1394.

The Insurance Brokers Registration Council (Registration and Enrolment) Rules Approval Order 1978, SI 1978/1395.

Visa plans own travellers' cheques

By Michael Blanden

VISA INTERNATIONAL, the credit card organisation, expects to go ahead with its plan to introduce its own travellers' cheques.

The proposal has been authorised by the Visa Board at a meeting in Lausanne. Mr. Dee W. Hoek, Visa president, said: "the ability to offer Visa travellers' cheques in an unlimited number of currencies will be a significant factor in opening previously untapped markets, as well as increasing competition in those which exist now."

Commitment

The plan is still subject to a minimum level of commitment by member banks. This is the issue of cheques worth at least £1.25bn during the second year of the programme. If a sufficient level of commitment is not reached the programme will be cancelled.

The plan was announced earlier this year, after the announcement of similar proposals by the rival MasterCard Charge organisation. Some larger members of Visa have expressed reservations, and Bank of America has specifically disassociated itself from the proposal.

Responded

However, Visa said yesterday that there was every indication that the basic commitment would be exceeded. The group reported that 320 institutions had responded to the July announcement.

Visa intends to send information early next month to all member banks and other financial institutions eligible for membership which have expressed an interest in the programme.

Sales of the new cheques are expected to start in the second quarter of next year.

Plaid Cymru sets out terms for supporting Callaghan

BY ROBIN REEVES, WELSH CORRESPONDENT

PLAID CYMRU today unveils a package of measures it wants included in the Queen's Speech, in exchange for helping sustain Mr. Callaghan's minority government for a further Parliamentary session.

Priority is given to a £100m programme to reduce Welsh unemployment, now running at about 9 per cent.

The party wants increased allocations for the Welsh Development Agency to step up investment in manufacturing industry; accelerated house building; particularly of old age pensioners' bungalows; and a speed-up in road construction in Wales.

But the Welsh Nationalists' "shopping list" also calls for government action on a number of other issues. Published in the form of a memorandum from the party's national executive to the Prime Minister and other members of the Government, it includes:

- A compensation scheme for disabled ex-quarrymen and others suffering from industrial lung diseases.
- The strengthening of leasehold reform through a £500 million on the freehold purchase price to leasehold occupiers.
- The establishment of a Welsh land bank to step up investment in agriculture.
- The raising of the VAT threshold to £50,000 and the transfer of the burden of redundancy payments on small businesses to the government.
- The immediate earmarking of £500,000 for the training of Welsh teachers and a start on the fourth Welsh language television channel in 1980 instead of 1982.
- Strengthening of the powers and operating area of the Development Board for Rural Wales.

No mention is made of devolution. But now that the Conservatives are themselves committed to holding referendums, almost certainly on March 22 next year, if in office, Plaid Cymru has nothing to gain by pursuing the issue. However, given the weight of opinion at present against a Welsh Assembly, the party would obviously prefer a Labour Prime Minister campaigning for devolution rather than a Conservative one who was against.

In postponing the general election, Mr. Callaghan was clearly counting on being able to satisfy the Welsh Nationalists.

Plaid Cymru has ruled out a formal pact but in the last four years its three MPs have proved more valuable voting allies for the Government than other minority parties.

Go-ahead for Welsh factories

BY ROBIN REEVES

THE WELSH Development Agency yesterday announced the go-ahead for its programme of advance factory construction in the Ebbw Vale area of Blaenau Gwent.

About £2m is to be spent on building 16 advance factories to try to attract new industry.

The shutdown of steelmaking by British Steel at Ebbw Vale earlier this year, with the loss of nearly 2,000 jobs.

The biggest contract is for two 50,000 sq ft factories on the 200-acre Rassau industrial estate, now being developed by the agency on a hillside above the town. This contract, worth just over £1m, has been awarded to R. M. Douglas Construction of Swansea. Work is due to start next week and the new units should be completed in about a year.

A further £445,000 contract has been won by Tarmac Construction of Chesham to build eight 5,000 sq ft factories on the same site. They are due to be completed by next May.

On the next door Taffarn Bach industrial estate, Holland Hansen and Cobbits are to build another six 5,000 sq ft units under a £335,000 contract. These should be ready by next April.

The agency has been able to accelerate the development of the Rassau estate because of the allocation of special Government funds of £15m in the aftermath of the British Steel shutdown.

Work is already under way on building six 25,000 sq ft factories and six 10,000 sq ft units at the Rassau site at a cost of £2.7m.

Truman to market new light ale next week

BY PAUL TAYLOR

TRUMAN, the London-based brewery group, is to launch a new bottled and canned light ale on October 1 backed by a sales promotion designed to raise money for the British Olympic team.

The new beer, which will be marketed under the existing brand name, Truman Light Ale, has cost about £50,000 to develop and is aimed at halting the decline in bottled beer sales.

The beer is claimed by the manufacturer to be an improved product and is packaged for the first time in 16 ounce cans. These cans are likely to be the first step in an attempt by the company to strengthen its home beer sales.

The sales promotion, which lasts until the end of December, is based on a £15,000 customer prize competition.

Customers who do not win prizes will be able to help the UK Olympic team by placing losing competition tickets in counter collection boxes. Truman will then convert the tickets into a cash donation to the Olympic Fund.

Yesterday, the fund was launched with a £1,500 donation handed to Sir Denis Follows, chairman of the British Olympic Association.

Doctors face 75% rise in indemnity costs

FINANCIAL TIMES REPORTER

DOCTORS WILL have to meet a 75 per cent rise in their professional indemnity costs from January 1, under schemes planned by their two mutual-funding societies.

The Medical Defence Union (55,000 members) and the Medical Protection Society (70,000 members) have decided to raise members' subscriptions from £40 to £70 a year to combat inflation in court awards and to provide further reserves.

Both one year awards in the last year, including nearly £250,000 for a woman-psychiatrist who suffered brain-damage after a minor operation and £112,500 for a man in his 30s who was also left crippled after an anaesthetic.

Jewel sale brings £328,263

SOTHEBY'S HELD a jewels sale yesterday, which totalled £328,263 with 3 per cent bought in London. Dealers were active buyers.

Moussaieff paid £18,000 for a sapphire and diamond collar and £13,000 for a sapphire and diamond dress ring. Another diamond mounted as a ring. Another diamond mounted as a ring realised £11,000.

At Sotheby's Belgrave, silver totalled £42,455. Metals paid £2,800 for a James Deakin and Sons canteen of cutlery in a cabinet, and Bloomstein £1,500.

SALEROOM

BY ANTHONY THORNCROFT

for a Carrington and Company Epergne of 1800 in mid-19th Century style.

At Phillips, in a sale of art nouveau and decorative art, a rare Argy-Rousseau, Paris Crystal Bague sold for £4,500 to the London dealer Argy-Rousseau. Tiffany and Company's sterling silver vase made 1930 to another London dealer, Martin-Ford.

A tapering Dutch beaker made in Groningen in 1707, sold for £9,213 in New York on Wednesday. The maker was probably Helrich Ritsma, and the purchaser, Presser, the Amsterdam dealer. It was the top price in a sale of continental English and American silver which totalled £204,454.

A rare Queen Anne eucalypt and cor. by Pierre-Platt, London, proba. made in 1786, sold to the New York dealer Strubbs for £7,258. Normally presented to mothers in France after childbirth, the design was introduced into England by Huguenot goldsmiths. The ample sold yesterday is one of the few known to have survived outside France.

A sale of English furniture at Christie's in London yesterday made £53,638, with a late 18th century mahogany secretary, bright front bookcase, selling for £2,800. It was bought by the German dealer, Kessler.

The first course by Christie's offering practical training in the fine and decorative arts of the Western world started yesterday in Old Brompton Road, the door to Christie's, South Kensington.

Development council supported

By Our Newcastle Correspondent

THE INFLUENTIAL Northern Regional Council, the Labour Party said yesterday, that the North of England Development Council should be allowed to continue in its work.

The announcement, after a private meeting, is seen as criticism of the ruling Labour group on Tyne and Wear County Council, which set off doubts about the future of the agency by voting to withdraw its £53,000 a year grant. Then the newly formed North East County Councils Association recommended that future activities of the development council should be confined to promotion and publicity.

The Labour Party's Northern Council said that until new legislation provides the North East with a role to play and strengthened Northern Economic Planning Council, the region should speak with one voice.

Mr. David Hughes, the Secretary, said: "This policy was adopted and supported by the whole movement, and we expect all Labour Party members, including those in local government and serving on public bodies, to support that policy."

The present controversy is damaging and a role to play and has built up a great deal of expertise which cannot be thrown away."

Nestle cuts 4-oz instant coffee price to 99p

BY OUR CONSUMER AFFAIRS CORRESPONDENT

NESTLE, Britain's biggest processor of instant coffee, yesterday finally pushed the price of its Nescafe brand below 21 pence a pound. This brings it in line with the cuts in wholesale prices previously announced by General Foods, for its Maxwell House brand, and Brooke Bond Oxo for its Brazilian blend brand.

From to-morrow the price of a 4 ounce tin of instant coffee should be 99p instead of £1.09 as at present. The supermarket chains, however, may not sell at this price for a few weeks, depending on how much stock they have to sell at the previous higher price.

So far, only International Stores has announced that it is selling Nescafe at 99p, but that is as part of its promotional campaign after its decision earlier this month to stop giving trading stamps.

Nestle is also cutting wholesale prices for its Fine Blend, Next Core, and Eleveens brands. It said yesterday that it was particularly keen to increase sales through price cuts for its 8-ounce and 12-ounce jars.

The decision to bring prices down was taken by Nestle only after it felt more confident about the stability of future world coffee bean prices. Although it is still worried about the short-term prospect because of the frost damage to crops in Brazil and political uncertainties in other producing countries, it still believes the long-term outlook is good.

Nestle says coffee consumption in Britain is recovering fast after a 21 per cent fall last year because of consumer resistance to higher prices. It reports that sales are getting back to the record levels of 1975 and if present trends continued it believed that the market should be worth about £250m by the end of the year. This means consumers will again be drinking a million cups of coffee a day.

Broads job turned down

THE MAN chosen from 1,500 applicants to be the first principal officer of the new Broads Authority has turned down the job, Mr. Peter Schofield, 43, South of England Regional Officer for the Nature Conservancy Council, was picked for the job on Monday. But he has turned down the post because he felt it would be more political than he had at first thought. The selection committee will meet again on Monday to decide on the next step. The authority had been formed to safeguard the future of East Anglia's waterways system.

Brewery finance director resigns

FINANCIAL TIMES REPORTER

MR. PETER MOLONY has ended of the year, joined the company in 1975 having been the Post Office's youngest director of finance. His resignation follows other recent boardroom changes. Within the past year Mr. Robert King joined the company from Metal Box as chief executive and Dr. Bernard Kilkeny joined the board from Allied Breweries.

Mr. Harry Brooks

MR. HARRY BROOKS, senior founder of New Day Furnishings Stores, has died in Manchester aged 79. He sold his controlling interest in New Day several years ago, and later moved into property. He leaves, among other interests, a 5,500 acre estate, Peover Hall, in Cheshire.

Obituary

The Management Page

EDITED BY CHRISTOPHER LORENZ

John Lloyd explains why the NEB has put more money into one of its higher-risk investments

Sinclair confronts a new set of problems

MONTHS ago, Sinclair, the adventurous company which is owned by the National Enterprise Board, parted quietly as it could with man Hewett, its manager of only 13 months.

Hewett discreetly, if confined himself to the fact that serving three—the NEB, the Sinclair and Mr. Clive Sinclair, in and founder of the company, had proved impossible.

Gillette

NEB concurred with the fact that Mr. Hewett should go, perhaps more surprisingly on the appointment of Sinclair nominee as his successor.

Michael Pye, who is 34, technical director of Sinclair from 1973-1978. He left at year for the U.S. to take up a new electronic division for Gillette, only to find his empire shut down within months.

more aware of the high financial cost of trying to keep one step ahead of the massed American and Japanese ranks of multinational competition. The NEB's financial involvement in Sinclair has escalated rapidly since its initial investment of £650,000 in August, 1976, for which it obtained a 43 per cent stake.

A year later, the company's demands for finance prompted the NEB to inject another £1.5m of equity, taking its shareholding to 73 per cent, and at the same time to extend a £1m loan facility—bringing its total commitment to £3.5m.

With Mr. Pye's knowledge of the company and its chairman, he can be expected to be realistic about his own room for manoeuvre. Mr. Sinclair remains in charge of the research—extremely important for a "knowledge based" company—and of long-term planning.

In the latter area, he will receive assistance from another recent appointee, Mr. David Marshall, who gained a reputation as an aggressive marketer with Camping Gaz, the UK subsidiary of Application de Gaz.

Marketing has been one of Sinclair's key weaknesses, and all agree it must now be got right. The problems which this new team face in keeping Sinclair at the forefront of the electronics world are considerable.

£30, and now claims to be the world's biggest manufacturer (in terms of volume), turning out 10,000 a week and exporting over 80 per cent. They are manufactured elsewhere on contract, and tested at Sinclair's plant in St. Ives; quality control, formerly a Sinclair bugbear, appears to be good.

Calculators first brought Sinclair to public notice when, in 1972, he launched the Executive pocket calculator, described as the first "genuine" pocket machine, and selling then at about £78. He has since broadened his range at the top and bottom: he has introduced scientific and programmable models at the top, and the Cambridge range of simple four-function machines at the bottom, costing just over £5.

It is at the bottom end of the market that Sinclair is close to admitting defeat. He has seen his comparatively small share of the UK market—around seven per cent at the beginning of this year—decline over the past few months. The Japanese—Casio and Sharp in particular—are simply too strong. "The Japanese made a technological leap in the cheap calculator market and are now very much ahead. The only source for the chips and the liquid crystal displays which they use in their small, cheap models is in Japan itself. We have no indigenous capacity to make the kind of chip required."

Retreat

The final decision to retreat from the mass market has still to be taken, but it appears to be likely. But the company will stay in the Executive market and in the programmable sector. Sinclair has just introduced a new programmable, the Enterprise, which sells at the low price of £25—"no one can come near that in price."

The Executive range still sells modestly; the company produces around 25,000 calculators of all types a month and obviously relies heavily on its

programmables to stay in the market at all. Multimeters and calculators account for around 50 per cent of the company's turnover; the remainder is taken up by the pocket television, which is certainly a miracle of design. Twelve years of research and £500,000 of the company's own money went into its development: the NEB contributed a further £2m (part of its overall commitment of £3.5m) to set up the production lines and bring the set to the market. In January, 1977, it is Mr. Sinclair's greatest technical achievement and the company's star attraction—and major hope.

However, it is enjoying mixed fortunes. Quality control appears to be good—there is a return rate of around 5 per cent—not as good as the Japanese TV industry, but we're working to get there—and the U.S. market, to which the main sales drive has been directed, has appeared cautiously favourable.

On the other hand, it has not taken off dramatically. Production has remained at 4,000 sets a month for some time, and Mr. Sinclair said that demand had fallen off recently, adding that summer was a bad time for selling the microvision. (Not necessarily, since it was designed at least as much for outdoor as indoor use.) Its initial selling price of around £225 has been cut to around £180 in most UK stores.

Earlier this year, Mr. Hewett predicted that production would be up to 6,000 a month by the end of the year: that now looks unlikely. But Mr. Sinclair—as always—has the answer. He is about to introduce a newer, cheaper version for the UK only—the present microvision can be used virtually worldwide—which will be even smaller and will sell around the £100 mark.

He has continually claimed that he has had around a two-year lead on the rest of the world with the microvision, a claim which received partial confirmation last week when Matsushita, the Japanese elec-

tronics company which manufactures television under the name of National Panasonic (it has a plant in South Wales), announced that it would have a pocket TV on the market in two years' time. It will reportedly be smaller than the microvision, and around 100 grams lighter; but it will sell at \$125 more than the \$400 the microvision currently costs in the U.S.; and the batteries will last three hours against the microvision's four.

Sinclair's future ventures are now kept largely secret, though it is admitted that some work is proceeding on the problems of electric vehicles specifically on the kind of gearbox they might require. Mr. Sinclair says that if all goes well, he is quite prepared to turn part of the company into a vehicle manufacturer, apparently undaunted by the swamps into which other, conventional vehicle manufacturers have strayed.

Chain stores

The company's financial future may have been secured for the present by the NEB, but it has not yet become a good investment. In the financial year ending April, 1977, Sinclair showed a loss of £220,000. In the eight-month period to December, 1977 (Sinclair changed its reporting period to synchronise with that of the NEB), it made a loss of £1,638m. In the current year, it is likely to show still another loss (though probably reduced). Mr. Sinclair will not say. Prospects earlier this year were that the company might show a modest profit, and thus this is an extra disappointment.

Crucial to the company's future is successful marketing. "We have always been good on innovation and development; we are now good at production; we still have to get good at selling," says Mr. Sinclair. David Marshall, the new 36-year-old marketing director who also holds a seat on the Sinclair Board, is already beginning to



Clive Sinclair (left) and Michael Pye, his new managing director, with the Microvision: the company's star attraction, but demand is stagnant; hence the new UK version

translate the skills he acquired selling bottled gas for Camping Gaz into those of selling packaged electronics.

He stresses that, after only two weeks in harness, he has not yet mapped out a grand marketing strategy. But a few lines of thought have occurred to him. "We don't want to keep all our eggs in one basket. We don't want only to sell in the chain stores—like Dixons, Boots, Currys—which specialise in electronics, or in the department stores. We're vulnerable there, because our competitors can come along and offer a comprehensive sales package, and we find ourselves pushed to one side."

"I'm keen that we get much deeper penetration, into the smaller shops, so that our products are available widely. We're fortunate in this country in having a retailing system which hasn't been shattered by hypermarkets and massive shopping centres. This means that we have to work through local wholesalers, getting the Sinclair name round the country."

Mr. Marshall's previous experience in selling products to the outdoor enthusiast has suggested to him that here might be a market for at least one of the Sinclair lines. "Fishing is the most popular sport in the country. It may well be that the angler would want to buy a

pocket TV to take with him, to help while away the long hours on the riverbank." Thus angling—the common man's route to meditation—is about to be invaded by electronic entertainment: no angler will be complete (or complacent) without a microvision.

Sinclair continues to demonstrate the features which have made it a source of fascination for the past six years—admirable innovative flair combined with courage in design, together with weakness in market penetration and doubts about its financial future. Most importantly—for Clive Sinclair—it remains independent of what he would regard as the suffocating embrace of a big company, and likely to remain so.

GEC, perhaps the only UK company which could absorb Sinclair, was believed to be deterred from taking it over two years ago when Sir Arnold Weinstock, GEC's managing director, concluded that Mr. Sinclair would react badly to being told what to do.

Mr. Sinclair, for his part, obviously relishes the heady challenges constantly presented to him, grumbling only mildly about the deterrent effects of the UK rates of personal taxation on entrepreneurs. For the sake of the taxpayer who funds him, it is to be hoped that his talent and judgment remain good.

How to plan for surprise

WITH indicators of future environmental trends becoming less clear, and unpredictable surprises more common, companies will find it even harder to plan their future strategy over the next decade than in the past few years, according to a paper presented at this week's Seventh World Planning Congress.

Held in London and organised by the Society for Long Range Planning on behalf of 20 sister organisations round the world, the three-day congress addressed the theme of "The Management of Strategic Surprise."

Reorientate

Suggesting how companies should re-orientate their objectives to meet "discontinuities," Professor Igor Ansoff, one of the leading international writers on corporate strategy, called for "real time strategic management"—as opposed to the more traditional "periodic strategic planning"—and what he called "surprise management."

Illustrating how the focus of management attention had shifted from one sort of issue to another during this century, and how he saw the process accelerating, Professor Ansoff saw the prime concerns up to 1930 as internal structure and production efficiency. From roughly the start of the 'thirties there was a growing concern with external strategy and marketing effectiveness, to which, from about 1950, was added product and market innovation, multinational expansion and, in the 1980s, diversification.

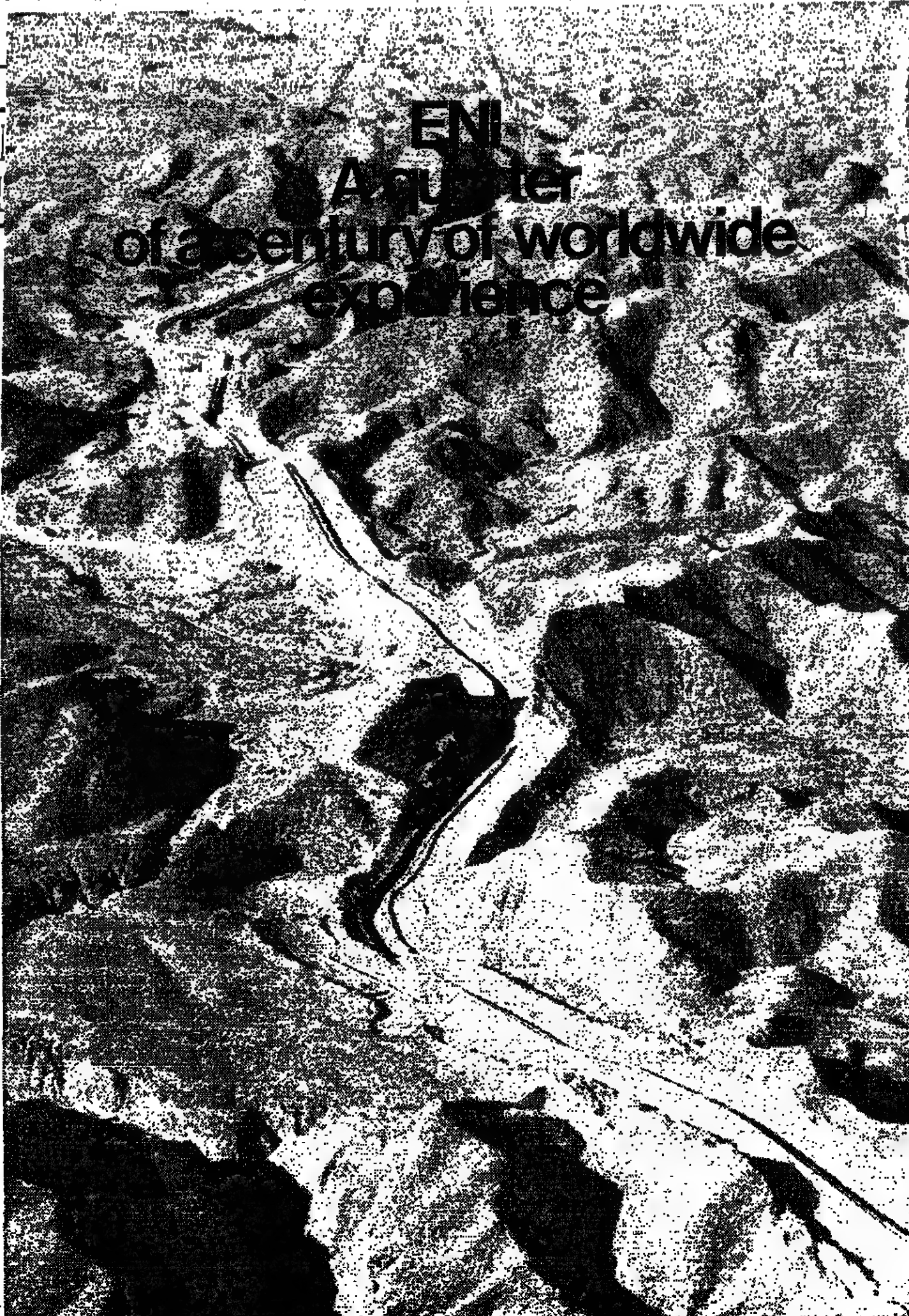
Turbulence

In the 1970s the number of overriding managerial preoccupations had multiplied, Professor Ansoff said, and added to the list: adaption of company structure to "turbulence" in the outside world; the redesign of internal climate and work structure; and the problem of scarce resources. Now two further preoccupations were developing: the limits of growth; and external socio-political initiatives.

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has constantly
contributed to
the growth
of Italy's
economy

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1978

and has been able to find answers to the problems created by the energy crisis. ENI today is committed to Italy on the difficult road towards economic recovery. 103,000 employees, 13,391 million dollars in turnover, 12,066 million dollars in investments, these are the dimensions of the ENI Group, a vast industrial reality, which operates on every continent. In 1977, 43.6% of Italy's consumption of hydrocarbons for energy was supplied by ENI Group companies, which distributed 25.6 thousand million cubic meters of natural gas and 28 million tons of petroleum products. But ENI is not only oil and natural gas; it is also nuclear energy, alternative energy sources, chemicals, engineering, mechanical engineering, textiles, and now mining, metallurgy and textile machinery. A growing involvement in research, thousands of millions of dollars in foreign orders in hand, an important contribution towards balancing Italy's external payments.

- Agip AgipNucleare Anic Lanerossi
- NuovoPignone Saipem Snam Snamprogetti Sofid

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ASSEMBLY

Molten metal links the components

AN UNUSUAL method of assembling small components is to be demonstrated by the Fisher group at the International Design Engineering Show which opens on December 4 at NEC Birmingham.

IMA, which stands for injected metal assembly, is a development of diecasting and uses a specially built diecasting machine. This injects molten metal into the assembly at selected points and when the metal solidifies, the components are firmly held together.

Substantial manufacturing cost reductions can be achieved by applying this method which can be used with a unit designated Model 41 IMA. Hahn and Kolb, sole UK distributors for Fisher, who designed the unit, will be showing it in operation at NEC, and will be producing an assembly of a gear wheel about 2 inches across on a drive shaft. Testing to destruction will be part of the demonstration and the company hopes to show that the joint metal is the last to go.

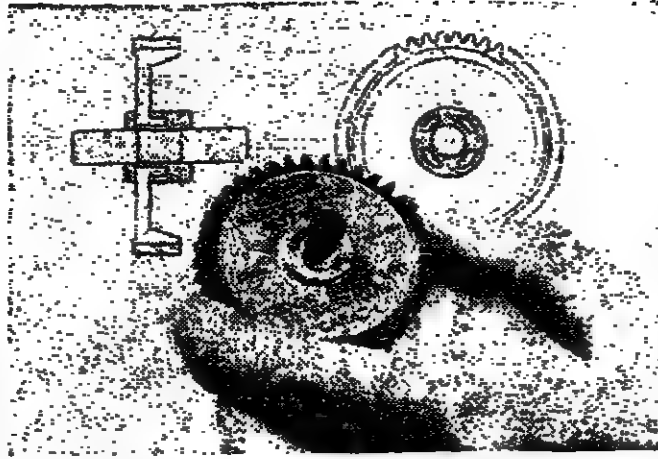
Components to be assembled are loaded manually into the operating head and located precisely in tooling that contains a cavity acting as the mould for the injected metal.

The operating head resembles the breach mechanism of a gun, a design effective for rapid loading and unloading, but which also protects the operator by preventing the escape of hot gases or molten metal. Changing the head takes about 10 minutes, so a different assembly can be in production within 30 minutes.

An injection unit with a capacity just under 5 cc equips the model 41 machine. All process variables are precisely controlled. Injection of metal is performed automatically with functions programmed by an electronic panel.

For safety, the machine is interlocked in critical areas to prevent hazardous conditions in the event of malfunction. Either water or air cooling can be incorporated in the housing for the pot of molten metal, so the operator is not affected by heat. Being compact, quiet and clean, the unit is suitable for installation in the assembly shop.

Owing to the extreme rapidity with which the injected metal cools, components made of materials other than metal can be assembled by the process. Examples are nylon, glass, ceramic and even paper. When ejected from the



A gear wheel assembled by the IMA method shows a central shaft portion where the injected zinc links the body of the wheel to the shaft. The wheel is about 2 inches in diameter and the shaft 5/16ths inch. At the rear the two projections of the assembly show in cross-hatching exactly where the molten metal is placed during the operation to link the two components together with a joint which, once solidified, can be shown to be stronger than the steel of the two components. This method of assembly is carried out on a machine designed by Fisher

machine, assemblies are ready for use. The design of the system eliminates the presence of sprue or flash, so there is no need for a subsequent finishing operation. Components are mechanically locked together because of the shrinkage of the cast metal. Either zinc or lead alloy can be used in the process. Zinc alloy is preferable when strength is required; an IMA joint can be designed so that it is the strongest part of an assembly.

Typically, the cycle time for

the Fisher model 41 is 10 sec, and the machine can be operated by unskilled personnel. In many instances, this will be quicker and less expensive than the conventional method.

However, cost savings from IMA can be achieved for reasons other than reduced assembly time. Consistent functioning of the machine coupled with precise location of components may reduce inspection and scrap costs. It is also possible to simplify components so that they cost less to manufacture. This is

especially the case when components have features such as splines or keyways that can be dispensed with.

Among applications are terminals cast on to flexible cables, or to apply conductors directly on to printed circuits. The method shows great promise for use with components of brittle materials that would be damaged if assembled by mechanical means.

Hahn and Kolb, Leicester Road, Rugby, Warwickshire CV21 1NY, Rugby (0788) 74281.

METALWORKING

Shapes made in sheet metal

CAPABLE OF producing cutouts or contours of any shape and size in sheet metal up to 12mm thick is the Trumpf CN range of

copy and co-ordinate nibbling machines.

By acting as support for the punch and helping to prolong tool life, a guide pin eliminates off-centre loading, and as a feed stop, permits any direction of cut guaranteeing a consistent finish.

Cutouts are produced by a simple and moderately priced tool system to template or to scales without any marking or scribbling necessary.

Copy nibbling allows for the economical production of any number of identical components by tracing a template, the form of which corresponds with the shape to be produced. Internal

cutouts are produced by co-ordinate nibbling. The size and exact location of the cut are set by the co-ordinate scales fitted to the machine. With the circle guide attachment available from Trumpf as an accessory, this operation can also be used to produce circular cutouts up to 600mm in diameter.

The versatility of the CN series: i.e. slotting, shearing, louvre cutting, beading, folding, flanging and peening, can be considerably extended to a punching attachment which allows the production of rectangular, round or irregular shaped cutouts with a continuously running ram.

Trumpf is at St. Albans 31111.

Big bevel gear unit

CONTINUOUS gear generating machinery capable of producing cyclo-paloid spiral bevel gears, by a continuous generation method, up to 1000mm or 83 ins in diameter, has been built by W. Fred Klingenberg of West Germany.

Until now, the largest continuously generated gears produced on machines from this company could transmit up to

3,000 hp. The new, larger gears will be able to take from 5,000 to 8,000 hp.

Klingenberg, through its subsidiary Continental Machine Tool Company, is offering a technical advisory service to users in order to help them solve specific problems of layout and design.

Continental is at 500 London Road, High Wycombe, Bucks. High Wycombe (0494) 32723.

Close control of arc furnaces

FOLLOWING AN extended testing sequence of several years, Krupp Stahlwerke Suedwestfalen is now using a computerised control complex for electric arc furnaces.

This equipment constantly logs process data and optimises important operational steps when high-grade and special steels are being handled. Relevant target and actual values are continuously compared in displays and further information on the process can be fed in during operations through data display and communications units.

Virtually automatic operation of the electric arc furnace thanks to this form of electronic control can provide trouble-free commissioning of new plants. At the same time, in day to day running, significant increases in output and reductions in operational costs can be achieved.

Krupp Industrie and Stahlbau is acquiring this control system for planning and building electric arc plant. By specification,

it will supervise power distribution to several electric arc furnaces according to the availability of power and furnace priorities.

Metallurgical process control will be provided, together with optimisation of the charging of scrap and alloying materials so as to achieve a high quality product at lowest costs.

Dynamic control of energy requirements throughout the whole melting sequence implies savings of auxiliary heat sources and of heat losses and related factors are closely watched at all times to keep the process on the right lines.

Krupp says programming of the controller is so flexible as to permit smooth introduction of automation in new plants through the automated equipment itself.

Fried. Krupp GmbH, 43 Essen, Postfach 10, Federal Republic of Germany.

PRINTING

Cuts cost of cylinders

THE INAUGURATION of a product demonstration suite (costing over £1m) has confirmed Crossfield Electronics' talents as a combination of high technology and superlative style.

The company (acquired by De La Rue in 1974) serves the need of the printing industry with products incorporating the latest optical, mechanical and electronic technology. It has invested very heavily in research and development; the results are shown in an hypoptic display in the demonstration suite at 788, Holloway Road, London, N19 3JG (01-727 7661).

Its latest development is "Lasergrure." This uses a high power laser to engrave direct on a plastic surface which can, if necessary, be plated and, says the company, will cut down the cost of making grature cylinders to around a third of the current cost.

In addition to making such cylinders more economically, the repeatability and accuracy of the process will be much higher than that of conventional cylinder etching. Although further development work is needed, the company has embarked on a period of printing trials and is convinced, from results already achieved, that this process will make a major impact in printing.

Due to the success of Magnascan 550 and 510, the company now holds 90 per cent of the world market for colour scanners, which account for 90 per cent of

its business. Although market studies indicate that less than half of colour separations are made on colour scanners today, it appears that within a few years 95 per cent of these will be made in this way.

Operating in conjunction with the Magnascan 550 is the newly launched page composition system which produces, at very high speed, a complete set of separations with all the illustrations and text components planned into their correct location and ready for copying on to plate or cylinder.

The system has an input scanner for entering all picture and text copy; a main disc backing store; the output section of the scanner (on which page separations are produced) and a large area digitising table which is connected on-line to the scanner and provides output position, overlay and cropping co-ordinate data.

This can automatically handle cropping outlines for pictures and text blocks in normal and rotated rectangles, circles and ellipses, triangles, quadrilaterals, and pictures with irregular outlines. It also electronically defines backgrounds, rules, lines and borders to be counted and can automatically round corners to a radius. Overlays and underlays can be accommodated in any combination.

Its creativity scope is such that special effects, not easily achieved by conventional methods, are simple to create.

Control for industry

THORN
AUTOMATION
Rugby, Staffs, England

Galvanising technique from Japan

AGREEMENTS licensing Schloemann-Siemag AG, Dusseldorf, West Germany, design, construct and sell Europe the electrolytic galvanising line devised by Nippon Steel are now in force.

Consisting of horizontal-type jet-system tanks with insulating anodes, the Nippon galvanising process is radically different from the conventional ones using soluble zinc anodes.

It has been proved efficient in a line at the Japanese group's Kimitsu works.

The process by Nippon Steel uses high-density electric current, and dispenses with zinc anode feeding operations. The galvanising line is more compact and its operating personnel requirements significantly reduced.

Moisture in grains measured

PROTOMETER'S Grainmaster Mark II instrument will measure both temperature and moisture content of up to 50 types of grain.

A temperature correction table is incorporated on the face of the instrument, thus eliminating any chance of inaccuracies due to users omitting temperature correction (a common source of error).

Eight of the most common crops are listed on the dial. These include soft wheat, hard wheat, barley, oats, rye, maize and paddy (rice).

The instrument comes with an immediate response electronic thermometer. This instantaneously establishes the temperature of the grain being tested and shows finding direct on the instrument's temperature correction (a common source of error).

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COMPANY NOTICES

GOLD FIELDS GROUP

NOTICE OF CLOSING OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the REGISTERS OF MEMBERS of the undermentioned companies will be CLOSED for the purpose of the Annual General Meeting on the following dates:

Name of Company (Each Incorporated in the Republic of South Africa)	Register of Members closed (both days inclusive)
Gold Fields Property Company Limited	6 October to 12 October, 1978
West Witwatersrand Gold Exploration Company Limited	6 October to 12 October, 1978
Deepest Gold Mining Company Limited	2 October to 8 October, 1978
Kloof Gold Mining Company Limited	2 October to 8 October, 1978
Liberton Gold Mining Company Limited	2 October to 8 October, 1978
Ventersburg Gold Mining Company Limited	2 October to 8 October, 1978
West Witwatersrand Gold Mining Company Limited	2 October to 8 October, 1978
Gold Fields of South Africa Limited	2 October to 8 October, 1978

By Order of the Board, C. E. WENNER, London Secretary.

London Office: 49 Moorgate, London EC2A 8BQ, 28 September, 1978.

B.A.T. INTERNATIONAL FINANCE LIMITED

100,000,000 French Francs 7 1/2 %
Guaranteed Bonds 1987

At the request of the Trustee, we hereby give notice that the nominal amount of FF 4,000,000 has been purchased on the market for redemption due November 15, 1978.

The Principal Paying Agent
KREDIETBANK
S.A. Luxembourg
Luxembourg, September 29, 1978.

U.K. U.S.A. GULF WESTBOUND RATE AGREEMENT

NOTICE TO SHIPPERS AND CONSIGNEES INLAND FERRY CHARGES IN ENGLAND, SCOTLAND AND WALES

The member lines of the U.K. U.S.A. Gulf Westbound Rate Agreement No. 8770, hereby inform shippers and consignees that, as a result of increases in operating costs from sources beyond their control, the current inland rates and charges applicable when their cargoes are transported in the U.K. at shippers' consignees' request are no longer commensurate and, accordingly, an upward revision has been found necessary.

Therefore, effective 1st January, 1979, inland rates and charges are to be increased by 15 per cent.

Details of inland rates and charges may be obtained from any of the undermentioned lines or their agents:

Member Lines:
Atlantic Cargo Services A.B.
Comline Ltd.
Tees & Carlisle Harbours Ltd.
Lymington S.S. Co. Inc.
Sea-Land Service Inc.

The U.K. U.S.A. GULF WESTBOUND RATE AGREEMENT

Current Buildings
Lombard L3 1DS
England
September 1978

THE AFRICAN LEASE LIMITED

(Incorporated in the Republic of South Africa)

CLOSING OF REGISTERS

For the purpose of the annual general meeting of The African Lease Limited, the registers of members of the company will be closed from 20th October to 26th October 1978, both days inclusive.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
per C. A. Bull, Divisional Secretary
U.K. Transfer Secretaries
Charter Consolidated Limited,
divisions, P.O. Box 102,
Chancery House, Park Street,
Aldford, Kent TN24 8BQ.

Registered Office:
44 Main Street,
Johannesburg 2001
29th September 1978

NIPPON MEAT PACKERS INC.

Business results for the current term ended July 31st, 1978, as compared with the same period of last year, August 1977.

	Current term ended July 31st, 1978	Previous term ended July 31st, 1977
12 million yen units		
Net sales	148,853	140,533
Profit before tax	4,662	4,448
Profit per share	32.30	32.23
Dividend	10.00	10.00

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, September 28, 1978.

NOTICE OF PURCHASE EUROPEAN INVESTMENT BANK

8.25% Dollar Notes, due September 1, 1983 and 8.75% Dollar Notes, due September 1, 1988

NOTICE IS HEREBY GIVEN to Bondholders that UNION BANK OF SWITZERLAND (INCORPORATED IN SWITZERLAND) is acting as the Purchasing Agent for account of said Bank, in connection with the offering of the above mentioned bonds.

During the six-month period ending 28th August 1978, the Bank has received 1,551,750,000 Swiss Francs for the purchase of the above mentioned bonds.

The principal amount of Notes due 1st September 1978 is 1,552,775,000 Swiss Francs.

EUROPEAN INVESTMENT BANK
Luxembourg 27th September, 1978.

A lot of water's gone under the Forth Bridge since we first won the Scottish Cup.

In 1961, Dunfermline Football Club lifted the coveted Scottish Cup for the first time in their history. It was a year of triumph and celebration, and a most rewarding tribute to effort and skill. A proud moment for the people of Fife.

But it was also a year of uncertainty. A time when Fife, and the Dunfermline area in particular, was suffering from the national decline of the coal-mining and associated industries. Prospects looked bleak, as this area of traditionally high social and industrial achievement began to taste the bitterness of unemployment. New industry was vital and the local authorities took immediate steps to remedy the situation.

With the advent of reorganised local government in Scotland, Dunfermline District emerged as one of three districts in the Fife region. Since then, Dunfermline District has followed the initiative of its predecessors in countering the decline of the traditional industries by undertaking a vigorous and extensive campaign to attract new and expanding industrial development in the District, involving the reclamation of former industrial areas, advanced factory building on fully-serviced sites and provision of housing for incoming key workers.

To augment this programme of industrial growth, a confidential counselling service is

offered to industrialists, consisting of a team of senior planning, legal and finance officers to advise on most aspects of business development.

As a result of this ambitious programme, Dunfermline District has become one of the leading areas to achieve success in this industrial change, with many and varied businesses setting up to benefit from the many incentives offered.

Funding is readily available, both local authority and private, and there is a high standard of educational and recreational facilities.

Some measure of success in the District can be attributed to the excellent communications systems. Dunfermline Airport is within twenty minutes reach from Dunfermline and a regular rail service serves the main towns. The M90 motorway runs through the heart of the District connecting Perth, Aberdeen and the north with the Forth Road Bridge to the South.

Dunfermline District has always enjoyed an excellent record of labour relations with a community of people who are responsive to good incentives from management, thus opening the way to constructive development.

So, if you're looking for a team capable of scoring industrial success for many decades to come, build it on the strong foundations of Dunfermline District.

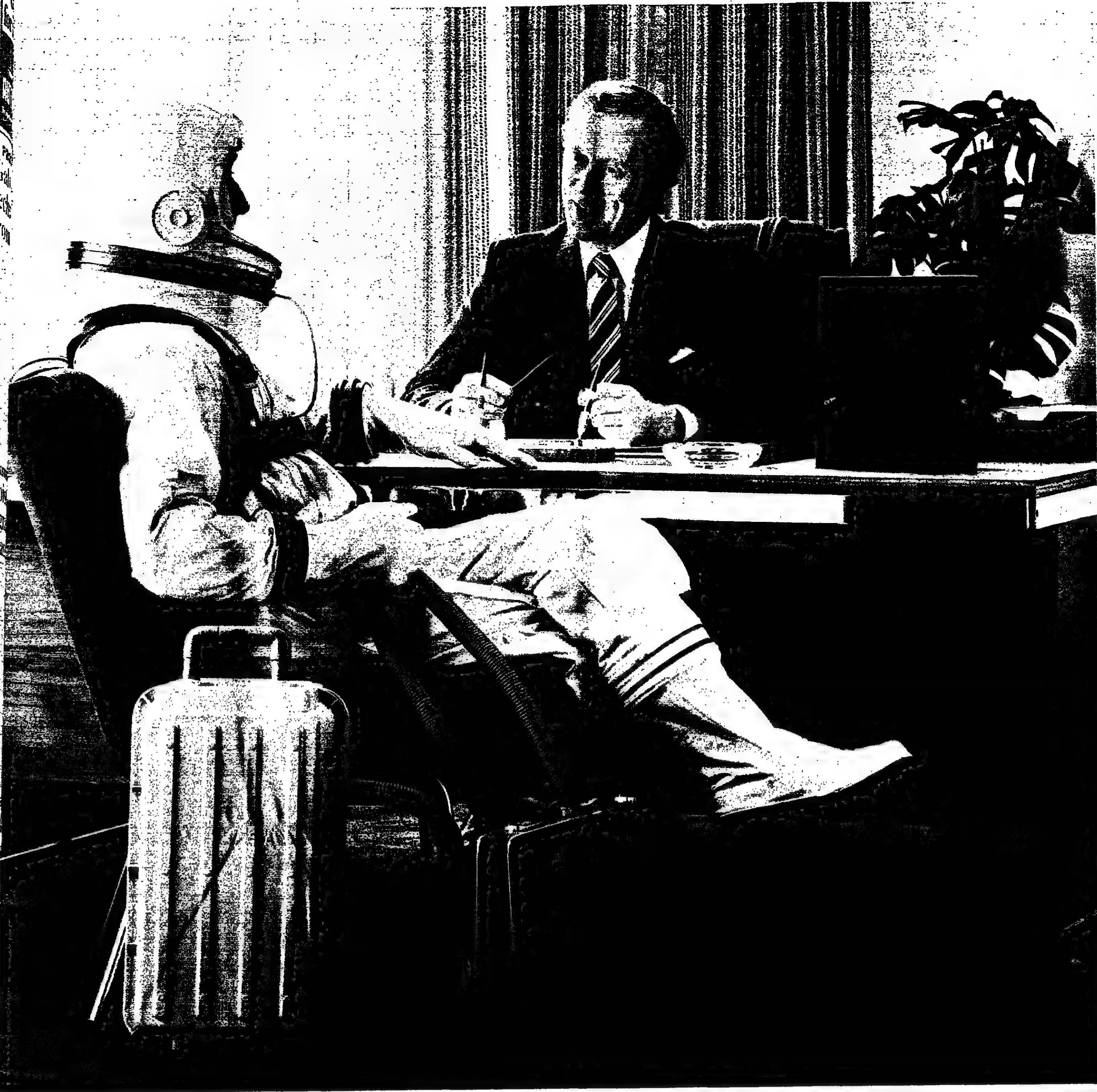
For further information, please contact
Mr. Donald Hunter M.B.E.
7 Abbot Street, Dunfermline.
Telephone: Dunfermline 31751.



Dunfermline District

July 12, 1984

The Financial Times



Your NatWest bank manager will help you export where you haven't exported before.

If you're left speechless at the prospect of exporting to unfamiliar places, go and see your local NatWest bank manager.

You'll find he speaks your language — and theirs. For specialist problems, he'll call in our experts from NatWest International and Credit Factoring International.

Between them, they know everything you need to know to export successfully.

They'll look after all your foreign currency

problems, sort out forward exchange contracts, arrange any international factoring you may require, and advise you on local customs. Your local NatWest bank manager is only too willing to become your personal financial ambassador.

All you have to do is go in and ask him.

Just ask him.



NATIONAL WESTMINSTER BANK GROUP: FULL BANKING SERVICES INCLUDING BUSINESS DEVELOPMENT LOANS, FOREIGN CURRENCY DEALING AND EXPORT FINANCE, PAYROLL AND COMPUTER SERVICES (CENTRE-FILE LTD); REGISTRAR AND ISSUE SERVICES, DOMESTIC AND EXPORT FACTORING (CREDIT FACTORING INTERNATIONAL LTD); MERCHANT BANKING (COUNTY BANK LTD); LEASING AND INSTALMENT CREDIT (COMBARD NORTH CENTRAL LTD); INSURANCE BROKERS (NATIONAL WESTMINSTER INSURANCE SERVICES LTD); CORPORATE TRUSTEES (TRUSTEE DEPARTMENT); COMPUTER OUTPUT TO MICROFICHE (EUROCOM DATA LTD).

FINANCIAL TIMES SURVEY

Friday September 29 1978

Florida

Known mainly as a resort and retirement State, Florida has recently been making determined efforts to develop as an industrial and trade centre, particularly with its position as a gateway to Latin America in mind. JOHN WYLES reports.

More than a sunshine State

INEVITABLY SOMEONE had to christen Florida "God's waiting room." But the sobriquet is only one of several: the locals prefer "Garden of Eden"—which has sought to encapsulate a part of the U.S. which for most of the post-war years has been more than happy to nurture an image of sunshine and comfort, of catering to the most sedulous sybarite. For some, of course, the image is the reality. The climate is delightful, the retirement living can be easy, there is plenty of hunting, shooting and fishing, the "gators" are still in the Everglades. Anita Bryant is still promoting Florida oranges and the Miami area is still struggling to overcome a serious shortage of moorings for private boats.

While not desiring to play down any aspect of the image which will this year bring in 34m tourists spending more than \$12bn, Florida is now anxious to have the world know that it has more than just sunshine to offer.

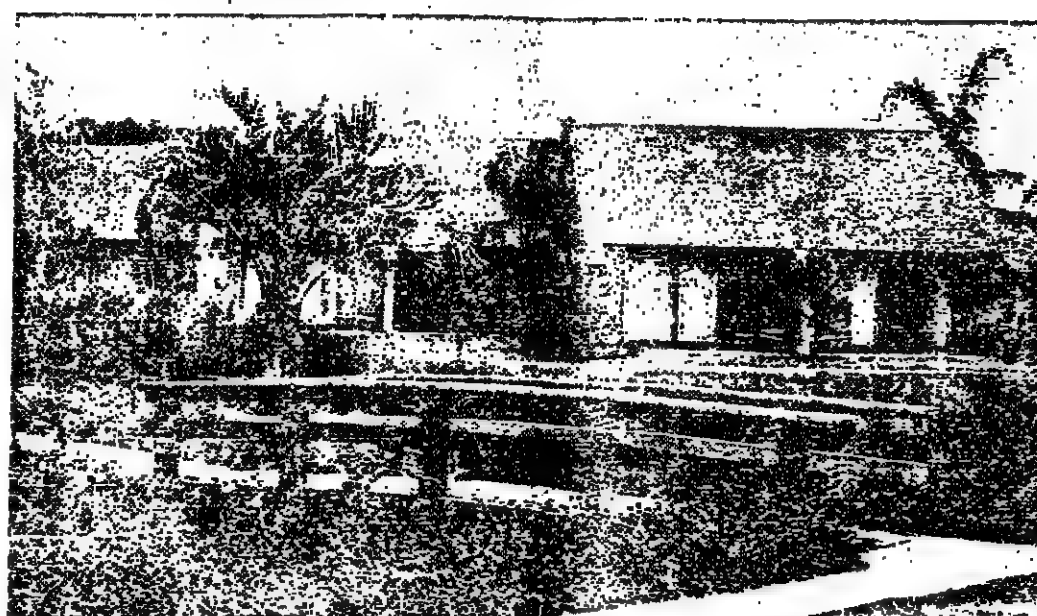
The reason is that this land of dreams-come-true went through something of a night-mare in 1974-75 when it was that of the country as a whole,

engulfed in a tide of economic recession, which more than doubled its unemployment rate to close to 11 per cent and in the process issued a sharp reminder that a mix of retirement homes and holiday resorts were no protection against a serious downturn.

After several years in which economic and population growth had been running at more than 4 per cent a year, Florida was ill prepared for a downturn which in real terms reduced personal income in the State in both 1974 and 1975.

"The recession was a sobering experience for Florida because it showed that we had to strengthen our economic base," says Governor Reubin Askew, who vacates the Governor's mansion in Tallahassee next January after eight years and comfort, of catering to the most sedulous sybarite. For some, of course, the image is the reality. The climate is delightful, the retirement living can be easy, there is plenty of hunting, shooting and fishing, the "gators" are still in the Everglades. Anita Bryant is still promoting Florida oranges and the Miami area is still struggling to overcome a serious shortage of moorings for private boats.

Not surprisingly in view of its popularity with "retirees," Florida's demographic mix is also somewhat different from that of the country as a whole,



Resort villas at The Meadows, a 1,300 acre development at Sarasota, Florida. The project, a Taylor Woodrow development will provide 3,900 housing units and is expected to take 13 years to complete.

although it is less heavily tilted towards the old than might be expected. Thus in 1977 about 28 per cent of its people were under the age of 18 compared with 34 per cent nationally. 33.5 per cent were aged between 18 and 44 compared with 35 per cent for the entire nation, 22 per cent were in the 45 to 64 age group, only a shade more than in the whole country and 17 per cent were over 65 compared with about 12 per cent nationally.

Inevitably, there are immense regional variations within the State, and four counties—Pinellas, Sarasota, Manatee and Pasco—have 30 per cent or

more of their population who are older than 65.

Although many Floridians are suspicious of progress in general and industrial development in particular, there is little doubt that the main lines of policy laid down by Governor Askew's administration in the past three years will be pursued by each of his three possible successors. Mr. Robert S. Hevin and Mr. Robert Graham, who are fighting for the Democratic Party's nomination, and Mr. Jack Eckhardt, who will carry the Republican banner.

"We have tried to create a favourable business climate," says Mr. Philip Ashler, the

State's Secretary for Commerce, reciting in evidence the absence of personal income tax, the aid for training and relocation and freedom from the need to pay sales tax on materials for new plant or plant modernisation. But the line in Tallahassee is that "we will not give the state away," which means that tax holidays and other concessions to the new investor are not available. To some extent this puts Florida at a disadvantage with its similarly investment-hungry neighbours to the north, Alabama, Georgia and South Carolina, but the attitude is one behind which both State government and local business can

unite. The evidence of this should be seen to good effect at the International Chamber of Commerce convention which meets at Disney World in early October. ICC's choice of Disney World was an interesting one in view of its traditional preference for capital cities, but the Florida government and its energetic Head of Economic Development, Mr. James Cooney, is not passing up any conceivable opportunity to stress its investment opportunities. More than 50 company jets have been lent by Florida companies to Mr. Cooney's departure for the occasion, and these will be employed in ferrying delegates around the State to visit companies and sites they have requested to see. Great stress is also being laid on portraying Florida's regional diversity—something which is missing from the broad brush strokes of the State's image. Life, economic activity and investment opportunities are somewhat different in Pensacola from Dade County or in Jacksonville and Tampa, and it will be surprising if many delegates are not a little taken aback by the economic and social diversity which already exists.

But the most striking development, particularly to the visitor to the south east, is the emergence of Florida as the gateway to Latin America, appropriately so in view of the State's history. The first Europeans to clap eyes on Florida were not pilgrim fathers but more likely than not Spaniards, and it was Juan Ponce de Leon, who had been on Columbus' second voyage to

America, who named what he thought was an island "Pascua Florida," because his arrival in 1513 coincided with the feast of the flowers. Although the State briefly belonged to the British for the 20 years after 1763, Spanish culture has always been discernible, and it was therefore an acceptable surrogate home for the several hundred thousand emigre Cubans who settled in the U.S. after the Castro revolution. Their presence has transformed Dade County in the south east into a bilingual, economically aggressive area, which in the past four or five years has welcomed the flood of capital delegates around the State to visit companies and sites they have requested to see. Great stress is also being laid on portraying Florida's regional diversity—something which is missing from the broad brush strokes of the State's image. Life, economic activity and investment opportunities are somewhat different in Pensacola from Dade County or in Jacksonville and Tampa, and it will be surprising if many delegates are not a little taken aback by the economic and social diversity which already exists.

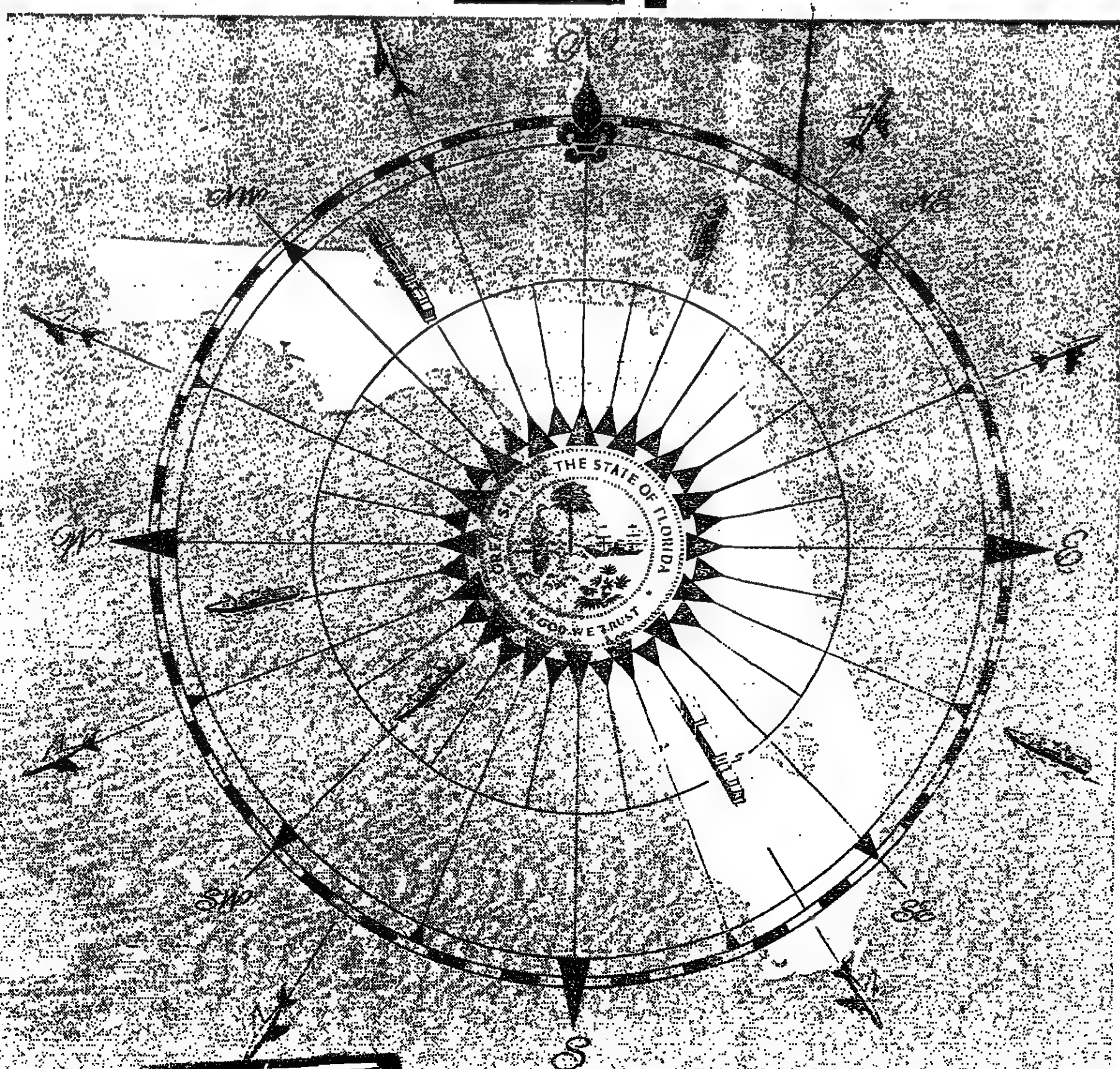
Increasingly Miami is the lens through which U.S. banks focus on Latin America. Ten of the large money centre banks have opened "Edge Act" branches there for international business while Coral Gables, part of the Greater Miami area, hosts the Latin American headquarters of more than 80 U.S. multinationals. But Latin Americans are increasingly interested in investing in Florida, individuals have already bought up a handful of small banks, while many more are buying real estate and property developments.

With the accent in Dade County on international trade

development, it is not wonder that many of the local business leaders are contemplating the possible arrival of a new gambling. The issue, which will go to a statewide ballot in November, is arousing much political conflict than the usual in favour of legalised gambling and with business and the political establishment against opposition, arguing that "it is counter-productive to all our efforts to be seen as serious about economic development. In Miami we have the opportunity to develop a hemisphere city for international trade and finance, and this will be damaged because of the elements attached to casino gambling."

Needless to say, local operators, principally those on Miami Beach, take a different view, and large sums of money are being spent to persuade Florida voters of the need to be able to compete with Nevada, the home of casino gambling in the U.S., and more recently with Atlantic City, New Jersey. But Miami Beach has been losing to local competitors in the shape of Disney World at Orlando, which is attracting more than 13m visitors a year and offers a more varied holiday than the faded concrete opulence of Miami Beach. Now ever this family row is settled—and the latest polls point to a defeat for the gambling lobby—the probability is that Florida will continue to pursue its economic development with cautious enthusiasm.

FLORIDA-The place to be for business



Because of its strategic location and excellent business climate, Florida should have top priority for any businessman or industrialist in choosing a base of operations in the United States.

Florida's six international airports and fourteen deep water seaports — all served by rail and near Interstate highways — provide ready access to the lucrative markets of the southeastern United States and Latin America.

Florida's international banking capabilities will help your business expand into international markets.

Florida is ideally situated as a location for international headquarters and plants. Its fine year-round weather insures high productivity from the wide range of professional, technical and semi-skilled workers available. Florida has an especially talented pool of specialists in such diverse fields as electronics, optics, chemicals, nuclear power and mass communications...all trained to meet the sophisticated needs of modern industry.

Florida's Free Trade Zones provide yet another marketing tool for doing business in the United States.

Let our staff of professionals supply you with the facts.

WRITE, CABLE OR CALL

Division of Economic Development
Florida Department of Commerce
107 W. Gaines Street, Room 781FT
Tallahassee, Florida 32304
(904) 488-6124
Telex 810-931-3655 (DEPCOMED-TAS)

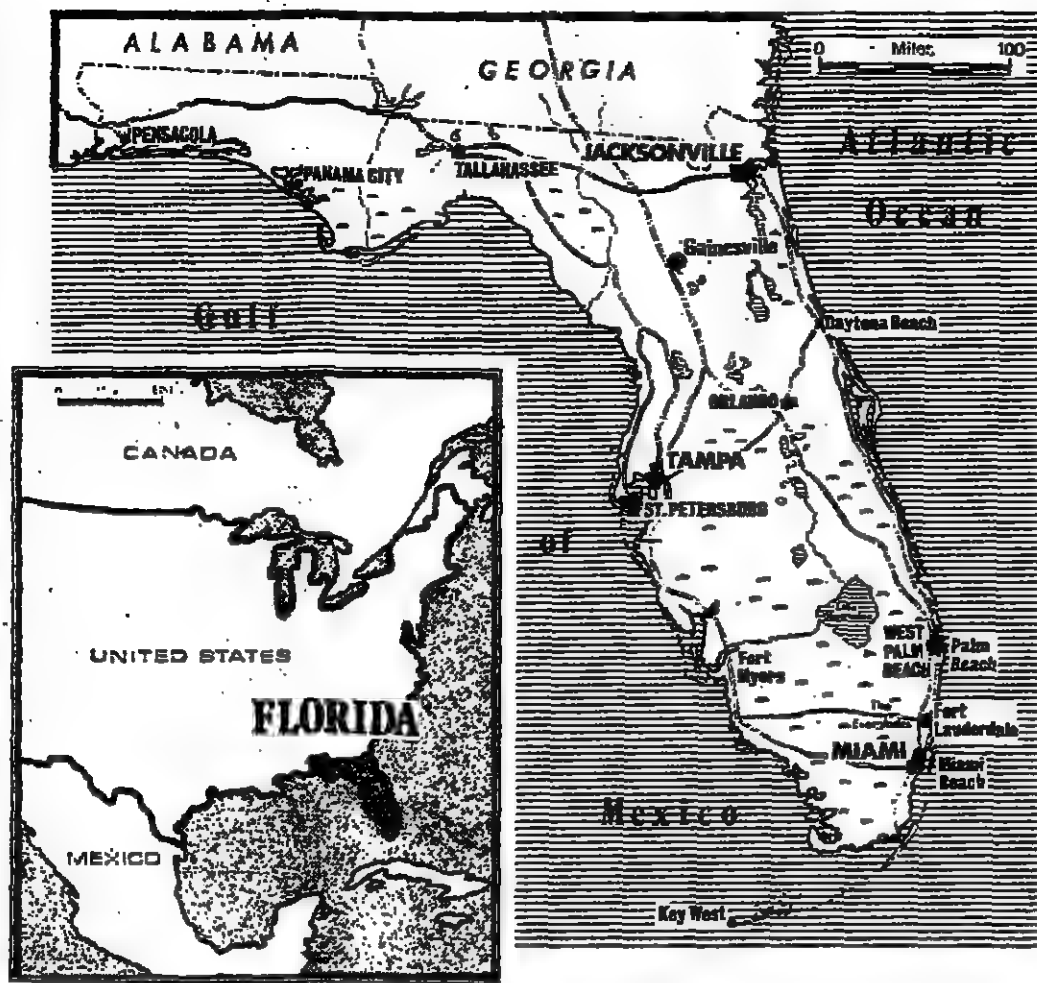
State of Florida European Office
Avenue d'Italie, Bte 25
B-1050 Brussels, Belgium
Tel. 32/2/673 99 32-
Telex 26411

FLORIDA

THE PLACE TO BE

Commitment to industry

LAL DEVELOPMENT recently been a "good Florida. During the early 1970s a gallop-it industry and complicity as a retiree appeared to guarantee prosperity that the d possibly need. In as argued with some in that a growth rate of the 5 per cent per 1968-73 would place rable burden on the ture of services which rely keep pace with upulation increase. or Askew claims—the recollections of oridians differ some- at he was counselling ring of the economic ing the early part of term of office but that woth and prosperity are was moreover an adble aversion among rors of the population isk of polluting both and scenic beauty in of economic develop- suppose progress is a ig, but it just seems to ave a dirty footprint" view expressed to me allahasse bus driver, g that the rural con- of north-west Florida and well and shared by ids.



bt
ts of doubt clearly still it there is no denying the that Florida's political as a potential location for im- mitted to attracting dustrial manufacturing. The Division of Economic it this commitment is Development within the to change no matter Department of Commerce. was places Governor Askew given added staff and resources, s second term ends next and an international unit was Industrial develop- established at the beginning of ecame a priority purely last year. Governor Askew set mply because of the about giving the life to an anti- n. of 1974-75 when heels was ill-deserved, by was somewhat cruelly making two trips to Europe in ad that no matter how 1977 and by travelling to Japan me, it is also part of the early this year. At the same. States. Still more of a time, the State established an- was the realisation that office in Brussels to trail its far less well equipped coat in front of potential- as a whole. Average hourly earnings in February of last year were \$4.51 compared with a U.S. average of \$5.43, and only ten other states were ranked lower. In addition this non-unionised, mod- estly paid labour force is rela- tively quiescent. Time lost due to work stoppages has been below the national average, although pretty much in line with the national median. Although Florida is not well positioned for access to the broad U.S. market, the excel- lence of its communications is a considerable compensation

dependent on tourism and retired people, and of course it must begin selling itself to the U.S. and the world in general as a potential location for im- mitted to attracting dustrial manufacturing. The Division of Economic it this commitment is Development within the to change no matter Department of Commerce. was places Governor Askew given added staff and resources, s second term ends next and an international unit was Industrial develop- established at the beginning of ecame a priority purely last year. Governor Askew set mply because of the about giving the life to an anti- n. of 1974-75 when heels was ill-deserved, by was somewhat cruelly making two trips to Europe in ad that no matter how 1977 and by travelling to Japan me, it is also part of the early this year. At the same. States. Still more of a time, the State established an- was the realisation that office in Brussels to trail its far less well equipped coat in front of potential- as a whole. Average hourly earnings in February of last year were \$4.51 compared with a U.S. average of \$5.43, and only ten other states were ranked lower. In addition this non-unionised, mod- estly paid labour force is rela- tively quiescent. Time lost due to work stoppages has been below the national average, although pretty much in line with the national median. Although Florida is not well positioned for access to the broad U.S. market, the excel- lence of its communications is a considerable compensation

MIAMI INTERNATIONAL AIRPORT

We Really Are International

Miami International Airport is the second busiest gateway in the U.S. for international passengers and cargo, serving a community second only to New York in international banking.

- * Service by 62 scheduled airlines . . . the most in the U.S.A.
- * 600 non-stop international flights weekly
- * Direct service to 102 domestic and 37 foreign cities.
- * More than 100 shops for travellers' needs
- * Fully air-conditioned main terminal complemented by new International Satellite Terminal
- * New Customs and Immigration facilities open soon
- * Over 16 million passengers in 1978 . . . 6 million of those international
- * 600,000 tons total cargo in 1978 . . . 450,000 tons of it inter- national
- * New Cargo City complex will total two million square feet of warehouse space
- * 80 major international corporate headquarters near airport
- * U.S.A.'s largest Free Trade Zone
- * 12 Edge Act and 10 foreign banks in Miami

MIA has been the premier Inter-American airport for years. Now with non-stop service to London, Paris, Frankfurt, Amsterdam, Madrid . . . and who knows where next . . . superior Latin American service is augmented by access to and from the capitals of Europe.

We're on the move, and we have room for you.

Richard H. Judy, Director
DADE COUNTY AVIATION DEPARTMENT
P.O. Box 592075
Miami, Florida 33159
Phone: 305-526-2165



MIAMI FREE ZONE

is emerging as one of the most important trading centers of the world today!

The MIAMI FREE ZONE is a unique combination of all the facilities required for companies to conduct business within the secure and duty free atmosphere of a Free Zone. It includes an international trading center consisting of centralized permanent exhibition/trade fair areas; complete warehousing and light industry manufacturing, assembly and quality control facilities; fully computerized customs inventory control systems; and the entire infrastructure of service facilities necessary to conclude business transactions within the Free Zone.

Goods may be imported, stored, assembled, manufactured, sold and shipped, without the imposition of U.S. duties, unless the merchandise is later sold in the United States.

Although little warehouse and exhibition space is still available in Phase I, MIAMI FREE ZONE has granted exclusive authorization to THE WINCHESTER CORPORATION to provide public warehouse services within the Free Zone. This enables companies to sublease warehouse and exhibition space from WINCHESTER with all of the Free Zone advantages, yet use only the space necessary for the time required.

Companies can test their growth potential in the South American and Caribbean markets through the services and facilities of the public warehouse, and later expand into Phase II of the Free Zone.

Many of the international companies coming into MIAMI FREE ZONE view Greater Miami as the new focal point for international marketing and distribution into Latin America, the Caribbean, Europe, Africa, the Far East and, of course, the United States. Natural amenities such as climate, political stability and a multilingual labor force have all contributed to the area's growth in international communications, air and sea connections, financial institutions, multinational corporate headquarters and, now, the MIAMI FREE ZONE.

Authority to operate the MIAMI FREE ZONE in Dade County, Florida, is contained in the Grant by the Foreign-Trade Zones Board of the U.S. Department of Commerce to the Greater Miami Foreign-Trade Zone, Inc., a non-profit affiliate of the Greater Miami Chamber of Commerce.

Don't miss the opportunity to participate in this exciting new venture! Call or Write . . .

MIAMI FREE ZONE CORPORATION
444 Brickell Avenue, Suite 906
Miami, Florida 33133, U.S.A.
Telephone: (305) 374-4991



WINCHESTER CORPORATION
299 Alhambra Circle, Suite 206
Coral Gables, Florida 33134, U.S.A.
Telephone: (305) 448-1940

Telex: 514-769 ZOFRANC-MIA

Lloyds Bank Group in Miami

Lloyds Bank International, the international bank in the Lloyds Bank Group, have recently opened an Agency in Miami.

Vice-President and Manager: N.L.S. Cross,
One Biscayne Tower, 32nd Floor, 2 South Biscayne Boulevard,
Miami, Florida 33131, U.S.A. Telephone: (305) 374-4455.
Telex: 803002.

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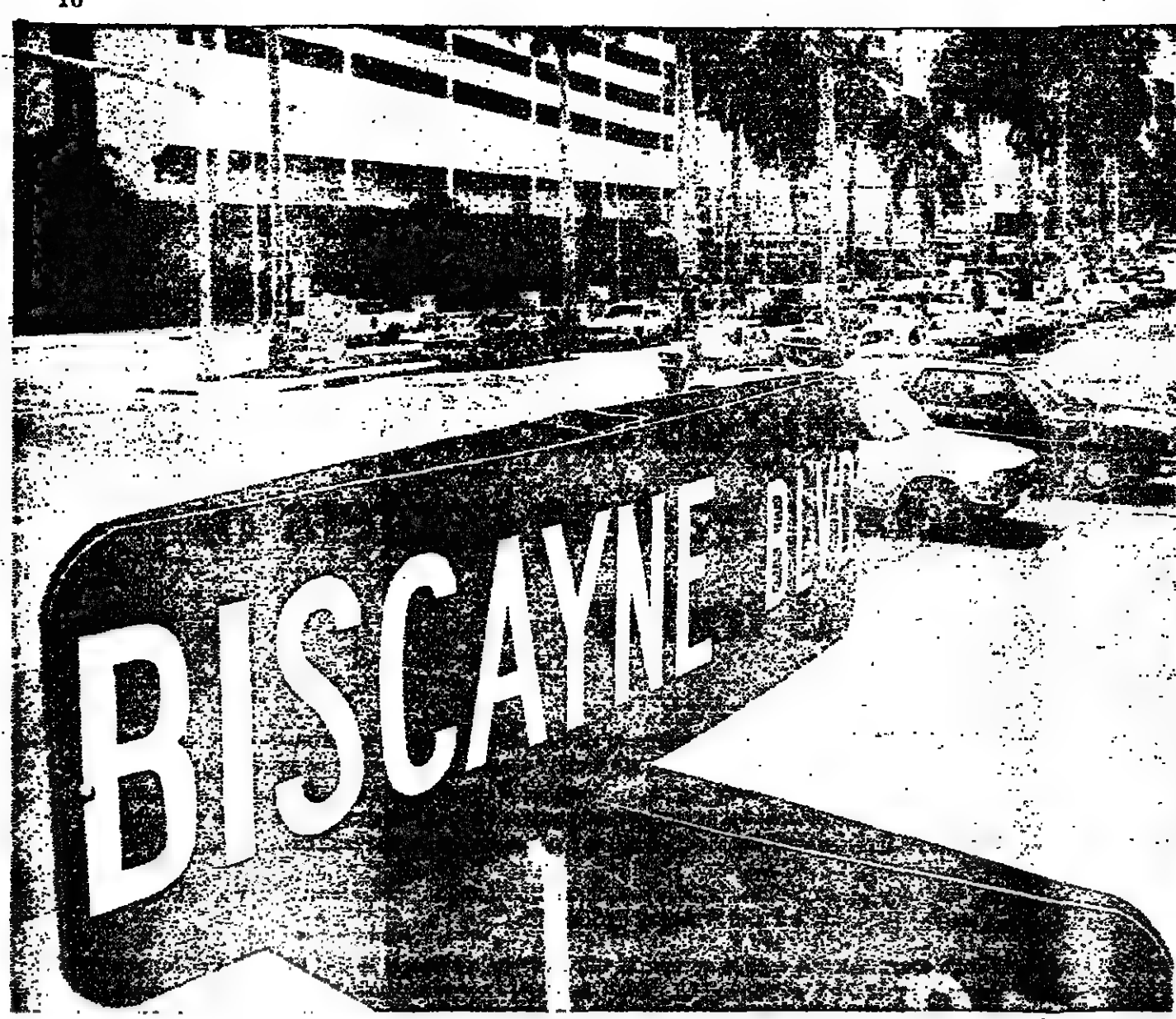


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AS HE sketches out the development plans for the downtown Miami area, with their mix of public and private development, not once does Roy Kenzie utter the caveat, "providing we can get the money." According to Mr. Kenzie, director of the Downtown Development Authority, there is apparently no shortage of potential investors in a development plan aimed at developing an interesting mix of government, residential, educational and cultural buildings worthy of a major commercial city. The task in Miami is not, as it is in many northern cities to revitalise a city centre which has succumbed to the urban blight, decay and general dilapidation. For that has already been achieved. Rather the purpose is to create the amenities which will maintain the momentum of development which has already transformed Miami from an apparently incidental adjunct to Miami Beach into an area whose importance now overshadows the fading tourist resort at the other end of the causeway.

The fact that there is no shortage of investment for the \$700m project does not, in more general terms, mean that Florida is again building up a speculative bubble of real estate investment of the kind which burst so cruelly in 1974, leaving thousands of construction workers unemployed and many thousands of buildings either unoccupied or unfinished.

The Governor's 1978 economic report claims that: "The single-family housing market may be considered fully recovered." New houses are currently being produced at a faster pace than during the 1972 housing boom. This rate of growth may not be maintained but 37,000 units will probably be produced this year and 76,000 in 1979. The construction of multi-family units is still on an upward trend, however, and production is expected to be 42 per cent or 30,000 units higher this year than last and to be 51,000 units higher in 1979. But the report points out that there are still vestiges of overbuilding in the multi-family sector hanging over from the 1972-73 boom, and that there is still some reluctance among financial institutions to finance speculative multi-family properties. The report does not foresee any problems of oversupply and claims that current levels of construction are "consistent with the expected influx of population." On the non-residential front, private construction expenditure is expected to rise 10.8 per cent this year but to drop 1.3 per cent next year, as the result of a general slowdown in activity.

Although the Florida banks are, as would be expected, still deeply involved in construction financing, they claim to have learned their lessons from the collapse of the boom of five or six years ago. On the residential side they are much more cautious about financing projects which do not have firm take-out commitments, that is apartment buildings whose units are not 60-70 per cent presold. They are also much more concerned with the balance sheets of developers.

The broad developments in real estate and construction outlined above mask the diversity of activity and wealth in Florida. For planning purposes the State government divides the area into 11 planning regions, which vary in size and economic and population growth rates. As a consequence real estate and construction activity also varies from county to county. The following is a summary based on the governor's economic report for August, 1978.

REGION 1. This is the extreme western panhandle area, whose population is the seventh largest and whose projected population growth between 1970 and 1980 is 23 per cent compared with an expected 40 per cent for the state as a whole. With the government sector accounting for 42 per cent of all employment, more than double the state and national average, unemployment has been below the state average. At \$4,700 per capita personal income is about \$1,000 below the state average. Construction is said to have made a steady recovery from the recession and the number of single family residential starts in the first quarter of this year was the highest since 1972.

REGION 2. The Apalachee region, whose largest cities are Panama City and Tallahassee. Population growth is expected to be below the state average until 1980. Per capita personal income of \$4,361 is the lowest but one of all regions and the government sector, with Tallahassee the state capital, is again the major employer, accounting for 41 per cent of all jobs. Single family building has staged a strong recovery here although the multi-family sector has lagged. But large public projects either under way or recently completed include the \$42m state capital building, the Tallahassee-Leon County civic centre and the \$10,000 square foot Governor's Square mall.

REGION 3. The north central region in which Gainesville, home of the University of Florida, is the largest city. Population is the second smallest in the state. Single family residential starts reached a record in 1977. Elsewhere work started this year on a \$100m expansion of Occidental Mining Company's facilities.

REGION 4. This is the north-east corner of the state, which includes Jacksonville. The fourth largest region in the state, its construction industry has completely recovered from the recession, with single family starts last year easily surpassing the peak of 1972. Multi-family building is still somewhat depressed but commercial construction is strong. Per capita income is \$5,336, slightly below the state average.

REGION 5. The smallest region in the state. The Withlocochee region is a West central Florida and has a population growth which is faster than any other region in the state and double Florida's average. Construction is expected to reach record levels this year in all main sectors. The area is in need of above average development to raise the State's lowest per capita income, \$4,163 in 1973.

REGION 6. Includes Orlando, Daytona Beach and Melbourne and also Cape Kennedy and Walt Disney World. Third most populous, total inhabitants grew by more than 46 per cent during the 1960s compared to a state average of 37 per cent. Growth this decade, however, will be slightly under the projected state average of 40 per cent. The value of single family construction starts rose to a record \$406m last year, but the number of dwellings actually started was 11 per cent lower than in the previous record year of 1972. But this sector should continue to show strong gains thanks to an announcement by International Construction Corporation of plans for a \$800m Levittown in the Orlando area. Per capita income in 1973, \$5,310, was slightly below the state average.

REGION 7. Predominantly rural central Florida. Residential construction still not back to 1972 levels but a strong

starts in the first quarter of this year is important. Per capita personal income in 1975 was \$5,928.

REGION 8. The Tampa Bay region is the second largest in terms of population, and growth between 1970 and 1980 is expected to reach 44 per cent. Private construction is still more depressed here than in many other parts of the State and has still not reached 1972 levels.

REGION 9. The south-west area has been the second fastest growing area since 1970. It has a high concentration of employment in construction, with the result that the numbers of unemployed nearly tripled between 1974 and 1975. Again single family building reached an all-time high but multifamily construction is still well below 1972. Per capita personal income is \$6,712, the third highest in the state and about \$50 above the average.

REGION 10. Includes Fort Beach and West Palm Beach and ranks fifth in population. Both single family and multi-family construction is said to be fully recovered thanks partly to a significant addition of new jobs in aerospace. Per capita personal income is the highest of any region, \$6,544.

REGION 11. Includes Miami and Fort Lauderdale and is by far the most heavily populated. Construction is still lagging behind 1973 levels — multi-family starts in 1977 amounted to 12,004, compared with 70,141 in 1972 and 78,692 in 1973. But vacancy rates are now said to be low and this could lead to a revival. Personal income, \$6,423 is the second highest among the regions.

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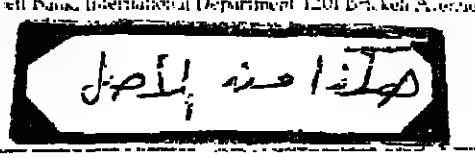
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International banking centre...

ARE several things have taken Florida by in the last 15 years but nothing more so than development, centred on as an international bank-

are. A more precise on would be as a centre, with, to and for America, because by and an influx of speaking exiles in the have proved to be a blessing.

variety of commercial ships have built up with talent to the south, so requirements have led for export financing, financing, personal and ite financing and corre- it relationships. To some demand has outstripped both of money and use, and a number of money centre banks, by longstanding busi- nesses, have moved into to fill the void. Florida as 10, shortly to be 11, ed Edge Act corporations, are essentially inter- nal departments of large ercial banks chartered egulated by the federal nment but permitted only age in international bank- id finance.

ound measure of the actual potential development of ational banking in Florida fact that only New York larger number of Edge orporations. The pace of development has surprised corporations themselves, an Guaranty's Miami office, id 18 months ago, was its Edge Act corporation. The two had been opened in expection of capitalising developing regional market in Francisco (for Asia) andouston (for international leum business). In con- on the Miami office was a. ous development, Morgan andy did not move its s Latin American desk New York to Miami, but upped the corporation with ing capital of \$25m and ated it responsibility for America, including too and the Caribbean basin. Morgan Guaranty this was first time that country and it responsibility had been devolved out of New York. is understood that the

results of the first 18 months have proved to encouraging that the bank has doubled the capital of its Miami corporation. Its success is apparently based on a number of factors which are in addition to the fact that the operator is Morgan Guaranty and therefore has a network of clientele and resources of expertise which can be assumed in a bank of its standing. According to Mr. William Bahlke who, with Mr. Ed Hoyt, has been responsible for establishing the corporation, Morgan and other banks engaged in similar activities have found that a significant number of Latin American clients have transferred personal and corporate accounts to Miami in a

defensive move against the un- foreseen political and economic developments which charac- terise that part of the world. Moreover, proximity to the Latin American market has facilitated the growth of loans to governments, to corporations and to private entrepreneurs, as well as commodity financing. Morgan's staff of 27 is very largely locally recruited. "We are very pleased with the local recruits. We have tended to go for people who are young and intelligent and trainable. In particular, we are very im- pressed with what we have seen of the local Cuban population. They have a work ethic which you don't find elsewhere any- more," says Mr. Bahlke.

After YEARS of steady and increasingly complacent growth, Florida banks were severely shaken by the economic recession of 1974-75. Lulled by year on year of spectacular popula- tion growth into participating in a feverish real estate and con- struction boom in the early 1970s, the banks were ill-pre- pared for the debacle which in 1975 demolished their earnings, in some cases by as much as a half.

This chill wind found some of the Sunshine State's banks poorly equipped to cope with austerity. Florida banking was renowned for its rather comfort- able, lethargy, based on an assumption of apparently inex- orable growth for as long as people wanted to retire to Florida or seek a new working life in the State. Moreover, legal prohibitions against branch banking were responsible for many structural inefficiencies, which added greatly to the costs of doing business but which seemed assured of longevity under the uncontrite conserva- tism which ruled in most of the banks.

This conservatism owed something to the somewhat archaic structure with which many of the State's leading bankers grew up. Until 1974,

the banking system was gov- erned by legislation passed just before the first world war, which established a unit banking sys- tem and prohibited branch banking.

Although the state's eco- nomic development provided plenty of growth for banking in the 1950s and 1960s, the need to develop a more sophisticated array of services found some banks lacking in capital and others unable to achieve the economies of scale necessary to carry through modernisation programmes. Unable to estab- lish branches, leading banks opted for the creation of multi- bank holding companies. Before 1985, there were just four such companies, with 21 affiliates, but by 1971 there were 22, with 228 affiliates, and by 1976 there were 32, with 472 affiliates. In 1976 the \$19.8bn deposited with bank holding companies accounted for about three quarters of total bank deposits in Florida.

Although common services can be established within a holding company structure, the need to maintain boards of directors and managements for affiliated banks imposed un- necessary overhead costs, which

tended to inhibit further development. But Florida legislators were no less cautious and conserva- tive than some of the state's bankers, many of whom were pressing for a branch banking system by the early 1970s. In 1973, legislation was passed enabling a bank to operate a branch up to one mile from its main banking quarters; then in 1975 a bolder step was taken, allowing banks to establish up to two branches per calendar year within the limits of the county in which the parent bank is situated. By July this year some 150 branches had been estab- lished as a result of this legisla- tion, which came into force at the beginning of 1977. In the long term this is bound to be a fillip for Florida banking for several reasons.

By consolidating multiple bank subsidiaries within the same counties they can achieve economies and can also, through new branches, obtain new loan and deposit business, often with only modest capital investment. An important addi- tional point is that the arrival of branch banking puts the Florida banks in a very much better position to compete with

This observation is one you derived all the business they wanted from the State's remark- able growth in population, services and construction. But they, too, proved extremely vulnerable to the recession of 1974-75, and their heavy expo- sure to the collapse in the building and property boom spawned a corresponding desire to diversify their loan portfolios. But their development has been constrained by a number of factors. There is first of all the problem of getting hold of people with some experience of international banking and a feel for the often more difficult judgments which have to be made. But even if a number of the right people are occupying the right slots, the domestic

banks often feel a lack of the economic intelligence apparatus which the New York money centre bank takes for granted. Criticism of the smaller regional banks for their timidity in the international arena may be justified, but it lacks an under- standing of the narrower dimen- sions in which many of them have operated for a century or more.

To their credit, many Florida banks are alive to the opportu- nities stemming from their State's development as a hemispheric centre, and the majors, led by the South East Banking Cor- poration and Barnett Banks, are putting real effort into develop- ing their international banking services. At South East, for

example, an international South America. Mr. Bassett said that the Bank decided 20 years ago that it would not attempt to take the international route of the money centre majors, such as Citibank, of establishing representative fari, a former vice-president with First Boston Corporation, that it would instead seek to build a network of correspon- dent relationships abroad. The Bank now has some 500 overseas correspondents and two repre- sentative offices, in London and Caracas. Its strategy for build- ing up its overseas business is one which other banks are following or will follow because it is based on an acknowledge- ment of limited resources. Thus short-term trade financing forms the bulk of the international loan portfolio, and Mrs. Trafari's plan is that as expertise grows so the bank will develop its corporate financing and project financing activities.

A recent but important development in Florida last year was the passage of the Inter- national Banking Act, which essentially permits a variety of operations by foreign banks within the State. They can establish representative offices to liaise between their home offices and Florida customers, and again the main impetus for establishing a representative office in Florida is to benefit from its pivotal role in the Latin American business connection. Foreign banks which have taken quick advantage of the Act include Britain's Standard and Chartered and Lloyds Bank.

Mr. Bahlke of Morgan Guaranty remarked during con- versation that Florida's enthu- siasm for growth in inter- national finance was both genuine and extremely helpful for a new entity looking to do business there. A potentially important reflection of this enthusiasm is the decision by the Board of Regents of Florida International University to develop an International Bank- ing Centre. It is planned to locate the centre in the heart of Miami's financial district and to establish it as a leading insti- tution for education and research in international bank- ing. Its activities will include training programmes for bank executives, analyses of inter- national banking within a regional economy and studies of the impact of foreign banking activities on the local economy.

In 1977 earnings at the three banks started to crawl back towards pre-recession levels, and this year all three may just exceed the record profits of boom year 1973.

A final and little remarked development in Florida banking is the growth of foreign invest- ment. Dr. Mira Wilkins, Pro- fessor of Economics at Florida International University, says in a forthcoming book on foreign investment in the state that the passage in 1973 of legislation forbidding foreign financial institutions from owning Florida banks has prompted the some- what unforeseen phenomenon of foreign individuals acquiring control of banks. Thus Inter- continental Bank is owned by Spaniard, while Ecuadorians and Venezuelans have acquired control of other smaller com- mercial banks.

The approach was set out towards the end of last year by Mr. Harry Hood Bassett, chair- man of Florida's largest bank holding company, when he told security analysts that new branches were costly and did

not turn earnings around in the short term. "Also if we con- solidate our existing banks within a county, we can build a branch for the new bank without the million dollar capital infusion the regulatory authorities might require for a branch of a smaller bank," he added.

A resurrection of the State's real estate and construction industries and a respectable increase in personal income (which declined in real terms in 1974 and 1975) are both contributing to a recovery of bank earnings in Florida. Loans and deposits both dipped sharply in 1974 and 1975 after a very steep expansion, particu- larly of real estate related loans in 1972-1973. In his latest economic report, the Governor limits his comment to a terse, "It is clear that bank lending in the State expanded far beyond the financial sector's long run capacity." The effect of the recession and the over- exposure in real estate is illustrated more graphically by the fact that South East Banking Corp's loan loss provision rose from \$4m in 1973 to \$10.8m in 1974 and to \$17.8m in 1975, and still stood at \$17.4m last year. At Barnett Banks of Florida,

the second largest holding com- pany, the comparable figures were \$4.5m in 1973, \$12.3m in 1974 and \$17.7m in 1975. Last year the provision had been cut to \$8.4m. At Sun Banks of Florida, the third largest hold- ing company, loan loss provision stood at a modest \$1.9m in 1973, spiralled to \$11.3m the follow- ing year, \$12.4m in 1975 and stood at \$8.5m at the end of last year.

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ASKED TO predict the likely development of the Miami area, one of most of Florida, one New York banker thought that he saw a Hong Kong in the making. One of the reasons for the comparison was the quite startling efforts and resources now being put into developing the State as a major entrepot area through the establishment of foreign trade zones, alternatively known as free trade zones.

Florida's first was established in the last few months at Port Everglades; a second will open close by Miami Airport in November; and an application has been made to establish a third at Orlando Airport.

Assuming that Orlando is given the go ahead these facilities will place Florida in the forefront of the "free trade zone industry," whose development in the U.S. is little remarked but whose origins date back to New Deal legislation establishing the Free Trade Zone Act in 1934. The aim of the legislation was to create new employment through establishing a nucleus of economic growth point for a particular area.

There has been no brush fire development of Free Trade Zones in the U.S. The total complement at the moment is 28 out of approximately 255 which have been created throughout the world. However, as trade has developed in importance to the American economy, so have free trade zones grown in attraction to state and municipal bodies looking to plant fresh seeds for local development.

But the possible advantages go far beyond smoothing relations between importers and the U.S. Customs Service. Many U.S. manufacturers, particularly in electronics, export components for assembly to overseas plants and then reimport them for onward sale in the U.S. Some have taken advantage of the free trade zone at San Jose in California to set up testing facilities within the zone and so to avoid the payment of duty on faulty work which is either scrapped or returned overseas.

Obviously no duty is paid on completed products which are re-exported overseas. Free trade zones also have an appeal for manufacturers who use both imported and

domestically produced materials and who export the finished product either overseas or into the U.S. The manufacturer of products destined for overseas is not liable for duty on any materials which are scrapped within the zone, while those goods for sale in the U.S. market can be assessed either on the basis of the imported materials incorporated in the finished product or on the value of components identifiable originating in the U.S. Thus, the manufacturer whose production is exclusively destined for overseas markets will save money by not paying any duty on imported components.

Additionally, the removal of an obligation to pay customs duties until goods are shipped out of the zone reduces the carrying costs of inventories as well as of insurance. Also, goods which are subject to U.S. quotas can be stored in the zone pending release in the next quota period. Lastly, all merchandise is likely to be more immune from theft because of the tight security which surrounds the zones.

Formidable

Although the list of advantages offered by a free trade zone is formidable there are, inevitably, a number of offsetting costs. While leasing warehouse space may not involve much additional expenditure, the establishment of offices and showrooms within the zone represents some kind of financial burden. In addition, the user will probably be liable to administrative fees charged by the zone's management to provide customs clearance and security services. Users are also subject to the normal U.S. tax laws and their income may therefore be taxable.

The operator of the Miami zone, the Miami Free Zone Corporation, believes that its facility represents a major development in the concept. "This zone will be

Hard won profits on the farm

FLORIDA CONJURES up many images. Some will see mile after mile of golden sand and acres of contoured flesh; others mile after mile of golden oranges or a land carpeted from horizon with swaying sugar cane and sweet corn. Both are images of Florida. Both depend on its sun-rich climate and both are vital for the State's economy. Important as the sunshine is, however, the profitability of Florida agriculture today is dependent on many other factors. Not all the natural features of the State have by any means worked in the favour of its agricultural development. The profitability has been hard won.

Less than half the land area is in agricultural production, and in approximately one fifth of the counties the proportion is considerably less, although forestry pushes the total up slightly. Although the climate is usually described as sub-tropical, killing frosts occur in all except the very southernmost parts in most years. Indeed Florida must be one of the few areas where frost-scorched mahogany trees can be seen. Rainfall is high but irregularly distributed and most falls during the summer. As a factor influencing agriculture, moreover, it is inseparable from topographic or soil factors, for much of Florida is low-lying and poorly drained. It has been by the improvement, through drainage, of such areas, that much of the profitable winter vegetable and sugar cane bearing land of the southern counties has been obtained.

As elsewhere in the U.S., the trend in Florida has been to fewer, larger and more highly specialised agricultural producers. Some 80 per cent of farm products now come from around 20 per cent of the farms. Florida has differed from the general national trend, however, in respect of farm employment, for here the situation has been stable for some years, and around 130,000 people are now employed directly in agriculture with many more in associated industries. It has been estimated that of 2.7m jobs in Florida, one quarter are agriculture dependent. It is perhaps significant that the harvesting and handling of some of the most important crops like citrus, vegetables and sugar cane are not easily mechanised.

Florida agriculture is diverse: products range from beef to beans, from pigs to pot plants. And in between come trees,

tobacco, tomatoes and turf, shrimp, ducks, watercress and honey; an agricultural pastiche in which it is nonetheless possible to see two major divisions. On the one hand there are many products geared essentially to the needs of the State. On the other hand, however, are a few for which Florida is a major supplier to the national market. The most significant of these are citrus and winter vegetables, although even a lesser product in this category such as ornamental pot plants now grosses \$100m annually. Even though there is growth in most facets of agriculture therefore, it is appropriate to examine most closely those of greatest national importance.

Undoubtedly citrus production is profitable. The capital investment is high, however, and trees may be 10 years old before they produce a commercially viable crop. Most significant of all, less than 1 per cent of the processing crop is machine harvested, although an investment of many millions of dollars into research suggests that this may improve. Prospects for mechanical harvesting of fruit for the fresh market, however, are still described officially as "dim." An industry that, in the height of the season, requires an additional force of casual labour approaching 27,000 can clearly increase its profitability still further.

Because the labour requirement is seasonal, it is rendered uncertain, and this combined with the seasonal under-utilisation of machinery, presents a challenge to the industry to lengthen its harvesting season. Two obvious ways in which this might be achieved are the development of earlier maturing grapefruit and the establishment of techniques for longer retention of fruit on the trees.

It is curious, moreover, but perhaps inevitable that the grading standards for fresh fruit are based largely on visible peel quality. If these standards were lowered, and the public would accept more skin blemishes, production costs could fall, especially in respect of the application of pesticides for cosmetic reasons, while fruit quality would not be affected. Although virtually without rival in the U.S. therefore, the Florida citrus industry is not without its difficulties.

In Florida's second major area of contribution to national horticulture, however, it has considerably greater competition. The State is the major producer of American fresh winter vegetables but is closely rivalled by California (which differs, of course, in that its production is year-round) and also closely challenged by Mexico. The establishment of any vegetable industry in Florida has been a remarkable achievement in the face of enormous natural odds such as the intensely hot and humid climate, the poor drainage and low fertility of many of the soils, the veritable battalions of

shops in each development. In fact, most of the products which find their way into the Miami zone are expected to be re-exported to the continent to the south, with perhaps as much as 75 per cent of the volume using the nearby airport gateway. The first phase of the development is expected to provide jobs for about 1,000 people.

If the emphasis at Miami leans somewhat towards marketing, the sponsor of the proposed Orlando Free Trade Zone, the Greater Orlando Aviation Authority, is looking specifically to encourage manufacturing activities. The vast expansion of tourism and related services in the area has reduced the proportion of its workforce involved in manufacturing from 20 per cent in 1960 to 12.2 per cent in 1977, and this according to the Aviation Authority is "a disturbing structural trend." The Authority has established a

variety of foreign trade zone user committees," which has been the task of seeking out and encouraging the establishment of light manufacturing, which it hopes to attract to the zone. A survey of manufacturers in the six counties of central Florida has indicated a strong interest in such electronics manufacturing, which include Martin Marietta, General Dynamics, General Electric, Stromberg-Carlson and Scott Electronics. The survey findings have encouraged the Authority to believe that, in addition to electronics, an Orlando Free Trade Zone could attract sporting goods manufacturing and/or warehousing and agricultural equipment.

Meanwhile, foreign companies are heavily represented at the Port Everglades free trade zone, which covers an 82-acre tract near the port. Tenants of the 140,000-sq-ft manufacturing area include a shoe producer, manufacturers of various electronic products and a copy machine builder.

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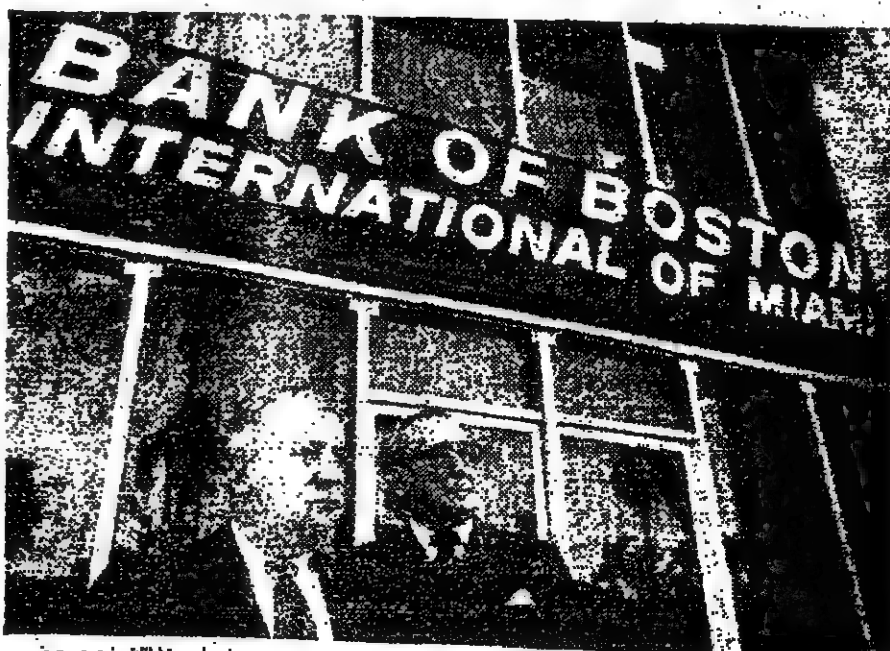
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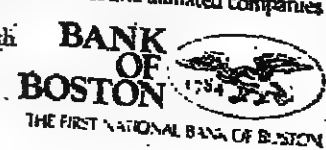
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CONTINUED ON NEXT PAGE

Transport network well able to cope

geographical dog legs of Florida's somewhat unusual location has been a major factor in attracting direct investment. But a lack of natural endowments such as 14 deepwater ports need to handle more tourists a year and proximity to Latin America hindered the development of communications facilities. All credit is due to the state and local authorities who have created a system of airports, ports and highways which in all important ways have met the new challenges facing the State.

9.4 per cent growth in population between 1976, coupled with the influx associated with the opening of Disneyworld at Orlando, has done more than to establish a spider's web of domestic and international air links. In fact, there are public airports scattered throughout the State, and every major city has at least one of them. Fifteen of the airports are scheduled to be expanded in the next few years, and/or international passenger and cargo facilities. Most of the trunk carriers run into Florida and northwards from the 15 leading airports provide direct air links to more than 100 U.S. metropolitan areas. In addition the growth in air travel has brought a

significant volume of international services. Miami International Airport's development is one of the keys to the impressive economic and commercial growth of the State. It now ranks second to New York as an overseas gateway, with non-stop flights to and from 53 international points.

Miami International is now served by 43 airlines which provide direct air links to over 65 non-U.S. cities in the Western Hemisphere. In the past two or three years there has been a greater emphasis on developing links to Europe, and both National Airlines and British Airways fly non-stop to London. In the past 18 months, National has also added services to Paris, Amsterdam and Frankfurt, and according to Mr. John Andersen, the airline's senior marketing vice-president it foresees considerable traffic growth on these routes over the next few years.

It is hoped that much of this will come from tourism, and National is putting a lot of effort into spreading the message in Europe that there is more to a holiday in Florida than Miami Beach. Final preparations are now being made for a seminar in Frankfurt in November, which will be a joint venture with the State's Department of Commerce, and a film has just been completed which should receive public showings in a number of European countries. A wad of guides and brochures are also being printed "in an effort to try to do for the American tourist going to Europe who does not know much about where he is going," says Mr. Andersen.

National and other airlines are hoping that tourists from Europe will help to iron out the seasonal troughs of their services into Florida, which are, however, much less deep than they were. "Our objective is to build better winter business

coming westbound but also to increase the traffic in the traditionally flat 'shoulder' periods of early autumn and just after Easter," explains Mr. Andersen.

While tourism and population movement have been key factors aiding the Miami-based airline's development over the past 15 years, the new emphasis on economic diversity is also bringing its benefits. Such has been the growth in cargo in recent years that National is now actively considering whether it should start cargo only services. Miami International handles 11bn of cargo a year, and the annual growth rate is 22 per cent. International cargo accounts for 74 per cent of the total and is growing at the rate of 27 per cent a year. This growth rate looks likely to become even more impressive after the opening in November of the first phase of the projected free trade zone, just west of the airport.

An important footnote to the development of air freight is that because Florida is a net importer of cargo, the freight rates on shipments originating within the state and destined for the Midwest and North East are lower than on freight flown into Florida.

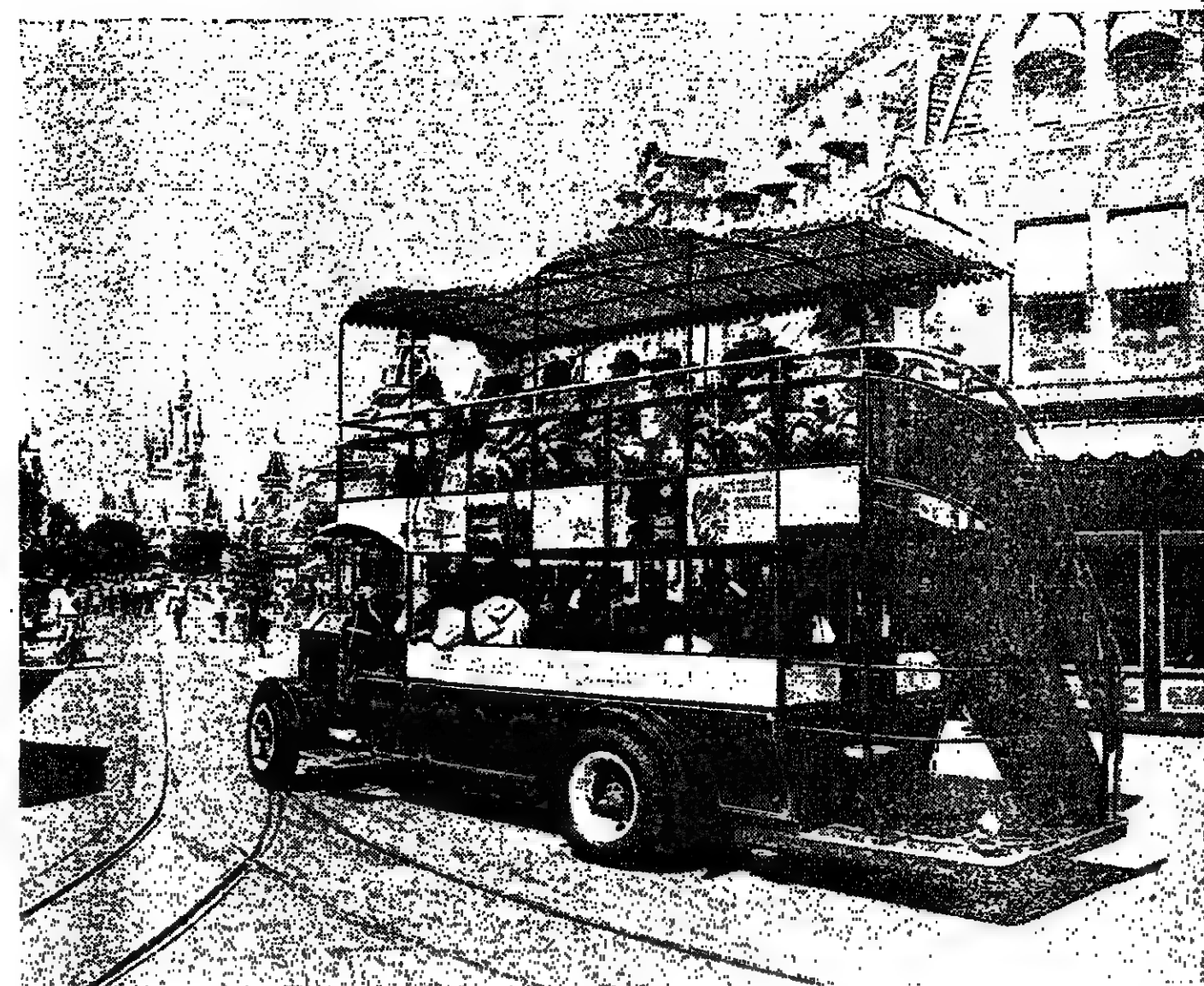
Easier

Ocean shipping into Florida is considerably easier than it is into many other coastal states because of this remarkable natural advantage of 1,300 miles of coastline featuring 14 deepwater ports with a minimum draft of 27 feet. Heavy investment has kept most of these ports up to date with the latest developments in cargo handling, and the goods which pass across their quaysides underscore some of the basic elements in the Florida economy. Thus the woodlands of the north and north west of the state generate a large volume of paper and

paper products, which find their way out through ports such as Pensacola, Fernandina Beach, Jacksonville, Port Canaveral and even Miami. Steel and steel products for the construction industry feature prominently in the list of commodities handled by Miami and Port Everglades to the north, while Jacksonville is an important entry point for automobiles and coffee. The phosphate rock which is mined in central and western Florida has been the seed of growth for the development of the Port of Tampa, which is now the eighth largest in the U.S. and the largest in Florida on the basis of tonnage handled. More than 3m tons a year of liquid sulphur and other ingredients for the manufacturing of fertiliser pass through Tampa every year on route to the 14 fertiliser plants in the area.

With the trend towards the use of ever-larger ships for the carriage of this and other bulk products, some \$130m of Federal funds are being spent on deepening Tampa's major ship channels from 34 to 43 feet. Another important development for the port area was the opening in July of the American Shipbuilding Company's \$23m dry dock facility, which offers the largest shiprepair berths between Norfolk, Virginia and New Orleans, Louisiana.

Once goods have crossed the quayside at Tampa and most of the other deepwater ports, they can take advantage of 82,000 miles of roadway, providing access to virtually all parts of the State and to major Federal highway routes which criss-cross the U.S. Finally, Florida is served by 13 railroads operating over more than 4,500 miles of track. Four of the railroads operate nearly 30,000 miles of track to most parts of the south-east U.S. and also to New Orleans, Dallas, Oklahoma City, Wichita, Kansas City, St. Louis, Chicago, Cincinnati and Washington DC.



A view of Main Street in Disneyworld, Orlando

Farm

CONTINUED FROM PREVIOUS PAGE

potential pests and diseases and the geographical location of the State which hardly facilitates nationwide distribution.

The highly profitable winter production is concentrated on the drained Everglades swamplands to the south of Lake Okechobee. The heat is controlled with by lavish shading of the plant-raising beds, while pesticides are applied almost daily. Almost every type and size of enterprise is involved in the vegetable industry, but the best and the biggest are corporations and grower co-operatives with their own shipping organisations.

A significant factor in at least one important aspect of Florida vegetable production is the increase in recent years in the always popular American custom of "eating

out." One third of all American meals are consumed away from home, and it is to such institutional outlets that around one third of all fresh tomatoes are destined. This is why tomatoes account for a quarter of the total Florida vegetable income. It is also why the Mexicans have not stood still and why their tomato exports to the U.S. have increased in the last few years.

Such challenges are new to Florida's vegetable industry, but the farmers and growers, however, seem to be looking forward expectantly to capturing the new market created by the Mexicans.

Tomatoes, although the most valuable vegetable, are not the biggest in terms of acreage. That position goes to sweet corn, but this is now perhaps the most vulnerable crop and trend is being seen towards in-

creased renting of farm land — it has been officially recognised that "full ownership of all productive resources by the farmer may not be possible or practical in modern agriculture... tomorrow's farmers may seldom be free of debt." The problem faced by the financiers of agriculture will be increasingly to make loans to farmers assessed on estimates of their cash flow and general managerial ability rather than on their possession of real estate or other collateral. The farmers and processors must face this challenge and make their enterprises financially attractive. For the single crop operation such as the sugar cane processing industry, however, no-one doubts the difficulties that this challenge inevitably must present.

Agriculture is the fastest expanding Florida industry. How it will continue to be so seems to depend on two major factors. The first is its technological response to challenge such as increased competition from other suppliers and increased urbanisation of agricultural land. The second is the provision of adequate capital and credit facilities. Already a trend is being seen towards in-

creased renting of farm land — it has been officially recognised that "full ownership of all productive resources by the farmer may not be possible or practical in modern agriculture... tomorrow's farmers may seldom be free of debt." The problem faced by the financiers of agriculture will be increasingly to make loans to farmers assessed on estimates of their cash flow and general managerial ability rather than on their possession of real estate or other collateral. The farmers and processors must face this challenge and make their enterprises financially attractive. For the single crop operation such as the sugar cane processing industry, however, no-one doubts the difficulties that this challenge inevitably must present.

Nicholas Edward



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The Royal Hunt of the Sun

by MAX LOPPERT

Hamilton's opera, Wednesday, the English Opera has a brilliant and intriguing production. The production is a triumph of design, and David Collins's designs, which are a triumph of design, are a triumph of design. The production is a triumph of design, and David Collins's designs, which are a triumph of design, are a triumph of design.

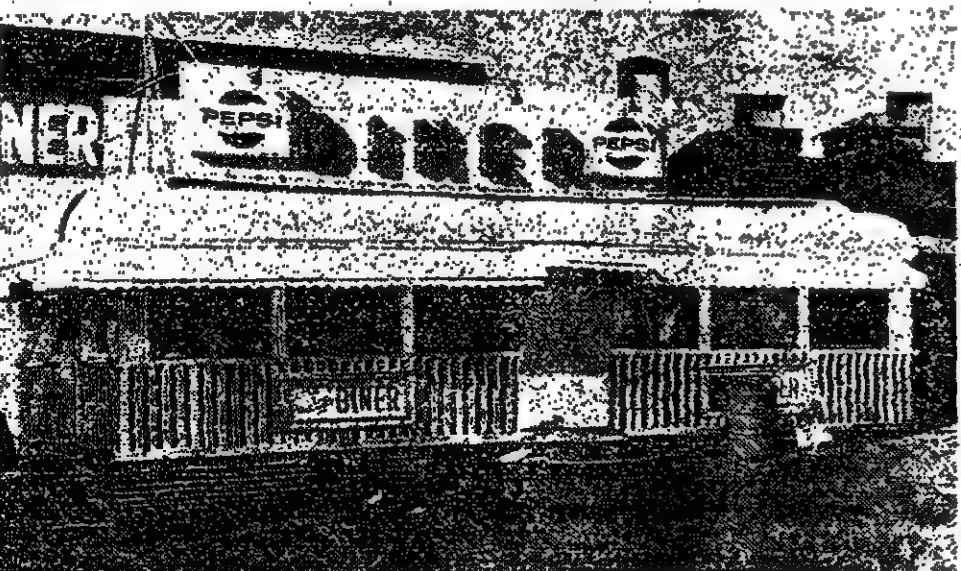
in large part that of the 1977 premiere. The production is a triumph of design, and David Collins's designs, which are a triumph of design, are a triumph of design. The production is a triumph of design, and David Collins's designs, which are a triumph of design, are a triumph of design.

ican architecture

The death of the diner

by FRANK LIPSUS

those roadside eating places gleaming silver middle of large parking lots. It is amazing that it is so long to be called a diner. It is a product of limited highways, competition, and the immigration laws, which it is the people willing to he long hours and thank you places require.



The art of the diner

if diners shines through awkward prose. But there is a photo-realists here, who are indebted to the art of the diner. The photo-realists here, who are indebted to the art of the diner, are indebted to the art of the diner.

g's Head

Diary of a Nobody

ink you have to be familiar with Charles and Weedon Smith's original to get the flavour of John English's mance at King's Head. Mr. English is a elegant figure for Charles, the City clerk, and the voice conflicts with the way background in which Kings and Gowing and even Lupin remain basically the same. Still, the jokes, in all Victorian snobishness, are quite funny, and those who enjoyed the book should enjoy the performance.

brought up to date. He picks up a book here, a toy soldier there; hears the railway at the bottom of the garden, the rude children from down the street, and most of all, finds the diary itself useful. Because Mr. English is still not quite word-perfect, and from the diary he can read, if need be.

Connoisseurs will hear all about the Lord Mayor's ball, but they will not learn that Cummings is always going and Gowing is always coming, or hear Lupin play tunes on his cheek with the fat of his knife. You can't have everything; the selection is representative enough to establish a genuine nostalgia for such as have the equipment.

As previously announced the Arts Council's Contemporary Music Network will be presenting 123 performances by 12 different groups in 44 towns and cities throughout England and Wales in the 1978/79 season. This will be the largest number of concerts presented in the seven years of the Network. Four commissioned works will be receiving their first performance.

Cinema

The Beast in chains

by NIGEL ANDREWS

The Beast (X GLC) Prince Charles Gate Two and ABC Fulham Road
Girl Friends (AA) Leicester Square Theatre
The Fury (X) Plaza 4, ABCs Fulham Road and Bayswater
The Legacy (X) Warner West End

Walerian Borowczyk's *The Beast* is the movie that had London Film Festival audiences gasping in the aisles three years ago, and brought down the puritanical wrath of the then New Statesman editor who fulminated against its graphic depictions of the sexual act. As a point of information, no human sexual organs are (or were) seen in *flamant* in the entire film.

The Polish director's erotic reworking of the Beauty and the Beast story first caused a furore, in short-film form, as one of the episodes in *Immoral Tales*. Then Borowczyk took it out and incorporated it as a "flashback" sequence in this much longer, modern story about an arranged marriage between an American heiress and the brutish son of a French aristocrat. The son, it is made clear during the course of the film, is the offspring of a 30-years-before liaison between his mother and the "Beast" — a huge, black, hairy monster that once haunted the gracious estate.

The sequence was funny and sexy at the same time. Now it has been pruned to a humourless semi-respectability. Expurgated are the ejaculations, so that those who do not know how the male organ functions will remain in healthy ignorance, and gone with them is much of the rhythm and momentum of the scene. The bowdlerisations are to be blamed less on the distributors than on the censorious climate which forced them to make cuts in order to show the film. The irritating thing about it all is that, because these senseless mutilations must be drawn attention to, the critic is obliged to give emphasis to the very things which the censorious climate has tried to suppress.

of ripe comic delirium (Marcel Dalio as an impish wheelchair-bound uncle determined to sabotage the marriage plans). And as ever, Borowczyk's camera glides across the surface of things, picking out tiny objects or gestures like moths dancing in a sunbeam: the details that give body and movement to the unbending light of the characters' ruling passions. Add to the film's other virtues some gorgeous colour photography — there are any living director with more of a painter's eye than Borowczyk — and an octet of wittily straight-faced performances, and *The Beast* qualifies as one of the most compulsive and sophisticated films to be seen in London. I wish I could have said in Great Britain.

A warm welcome to *Girl Friends*, which arrives at the Gate Two cinema hotfoot from Cannes. Or hotter-footed at least than its feminist companion piece at Gate One, Varda's *One Sings The Other Doesn't*, which had a year's start having been premiered at Cannes in 1977. *Girl Friends* arrives propelled by, rather than trailing, clouds of glory and with a publicity boost virtually unprecedented for a film of its modest budget.



Melanie Mayron in 'Girl Friends'

It started life as a 30-minute short costing \$10,000. Shot by Claudia Weill with grants from sundry cinephilic donors, including the American Film Institute, it had enthusiastic reviews at Cannes and opened in the States to equal acclaim. In fact, so many people like the film that one thinks there must be something wrong with it. There isn't (or not very much), and if you want to see the Women's Liberation movement putting on its sunniest face, this is where you should go.

The heroine is played by Melanie Mayron, who is like Woody Allen with a different sex and hairstyle. Mayron's face, radiating guileful innocence, peers out from under glasses and an explosion of brown hair. Set in New York, the film chronicles her sad-funny adventures as she

returns to America, meets a young girl (Amy Irving) who also has psychic powers and uses her as an extra-sensory bloodhound to sniff out his lost son. Along the way there are sundry supernatural set pieces even more far-fetched and tuppence-coloured than in De Palma's last film *Carrie*: choicest among them being the fate of a lady doctor who dies simultaneously levitating, pirouetting and haemorrhaging. John Cassavetes, who prowls darkly through the film as the chief nasty and Douglas's son's kidnapper, meets a kinder fate, merely exploding. A cult reputation has grown up around De Palma of late, beginning with his more deserving *Phantom of the Paradise*, and there is a Hitchcockian ingenuity to the way he stases individual scenes and can chill the blood with a clever cut or camera angle. But unlike Hitchcock he shows no talent for building effective parts into an effective whole, and this film pays the price for beginning like an express train and trying to accelerate by going off the rails well before its journey's end.

The thrills and spills of Michael Winner's *The Big Sleep* are, by comparison, strictly suburban. Winner has hit upon the uniquely dire notion of transposing Raymond Chandler's thriller, immortalised on film 30 years ago by Bogart, Bacall and Howard Hawks, from California to Greater London. Robert Mitchum plays Marlowe, who according to this script stayed on in England after World War Two and now prowls the mean streets of Wimbledon and Putney, and the Lauren Bacall role goes to Sarah Miles, complete with Bride-of-Frankenstein hair and a wobbly mid-Atlantic accent.

Candy Clark is her nymphomaniac younger sister, James Stewart their dying General of a father, and the supporting cast has been chosen, it seems, by sticking a pin in a 1950s Who's Who of British Cinema: Richard Todd, John Justin, Harry Andrews, Joan Collins, James Donald, John Mills inter alia. The film, written as well as directed by Winner, stumbles with a sort of inspirational ineptness through its story of blackmail, murder and underworld intrigue, and Winner's do-it-yourself attempts at laconic Chandlerian dialogue are an embarrassment. Mitchum himself, who has obviously been told that he could play Marlowe with his eyes shut, mostly does so here, and all in all the film more than lives up to its famous but never-so-pertinent title.

At least *The Legacy* is more fun. Katharine Ross and Sam Elliott are the American innocents abroad in Stateside England. Invited to stay at the baronial pile of one Jason Mountolive (John Standing), they discover that they are not alone there, that Mr. Mountolive has invited four or five extremely rich guests, that these guests belong to some strange cabal which Miss Ross is asked to join, and that there is a tendency for these guests to be murdered. The film has no shortage of picturesque violence. If emergency tracheotomies are to your taste there is a fine one here, performed by Margaret Tyacke on Roger Daltrey. If you prefer death by burning, you may enjoy the prolonged conflagration of Charles Gray. Between murders, it is all Old-Dark-House stuff performed with fair conviction by a good cast and scripted by that Hammer stalwart of yesterday, Jimmy Sangster.

Festival Hall

Tortelier

by MAX LOPPERT

Schumann's Cello Concerto expresses a unique kind of tender yet introspective melancholy. In a performance of the work, the character, one that tries to urge the solo line into a too fiercely driven brilliance of tone and forwardness of rhythm, its special cast of thought is likely to be obscured, its lyrical frailty to seem like a weakness. When Tortelier plays it, with all the affection and soulful warmth he can muster, it becomes one of the composer's most lovable works.

Last night the cellist, playing with the Philharmonia under Riccardo Muti, was in wonderful form. In the opening measures, not all the notes were perfectly in tune and perhaps under pressure the core of cello tone is less invincibly strong and steady than it used to be. The understanding of the music, on the other hand, has surely never been deeper — the first movement's succession of plaint phrases, each one shaped by a "singing" imagination, and the poetic intensity of the *langsam* middle movement, taught one a basic and essential lesson about the art of Schumann interpretation. Though the rhythmic freedom of Tortelier's playing

cannot be an easy thing for an orchestra to match or even to follow. Mr. Muti drew from his orchestra an accompaniment that was admirably diligent and fresh-toned. This noble experience, a performance in a thousand, fell between the chording high spirits of Rossini's *Silen Loder* Overture and the ineluctable violence of *The Rite of Spring* — a strange, slightly disconcerting programme combination. In the Rossini, the articulation was crisp and meticulous, the spirit of the music and rather charming — there is more "bend" to Rossini's phrases than Mr. Muti is always willing to allow. In the Stravinsky ballet, the position was rather the reverse: no want of lusty enthusiasm, but sometimes a rather imperfect traversal of the notes, and a sonority (especially a brass sonority) forced beyond the necessary degree of rawness. One felt that the reading was ascent rather than mature, and the long-term cogency tended to be sacrificed to immediate excitement. Of these there were, however, a bounty — and not the least of them was the sight of the timpanist's stick flying through the air.

Contemporary Music Network opens on Sunday

The 1978-79 Contemporary Music Network season opens on Sunday at the Nottingham Playhouse with a performance by Roger Woodward (piano) and the Philip Jones Brass Ensemble which will include the premiere of Rolf Gehlhaar's *Stringencies*, Chorm and Colour and the first British performance of Morton Feldman's *Piano*. The tour continues next week at London (Elizabeth Hall), Manchester (Horsham), Milton Keynes and Dartington.

As previously announced the Arts Council's Contemporary Music Network will be presenting 123 performances by 12 different groups in 44 towns and cities throughout England and Wales in the 1978/79 season. This will be the largest number of concerts presented in the seven years of the Network. Four commissioned works will be receiving their first performance.

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Friday September 29 1978

Pragmatism vs. dogma

IT HAS been plain for at least a decade that the organisation of the electricity supply industry in England and Wales leaves a lot to be desired. Yet no changes have been made principally because of a major restructuring of the industry, would appoint the members of these boards, a proposal which has been condemned by both the industry and the unions as making for divided loyalties and impeding career development. The corporation's statutory duties would, at best, be too vague and, at worst, too uncommercial. Its enhanced manufacturing powers would go further than either the industry or the unions wanted. And the Secretary of State's powers, taken together, were described by one union leader as amounting to "power for vastly greater ministerial and civil service direction in the industry."

Blocked

It is true that one Bill was lost in the 1970 general election and that another was blocked earlier this year when the Liberals disagreed with what the Government was proposing. This gave the select committee a chance to conduct a pre-legislation hearing broadly on the lines the Commons committee on procedure has since suggested should be adopted more generally. Following tradition, the select committee avoided judging matters of party controversy and limited itself to inviting evidence with a view to making for a more informed debate should the Bill come before the House. It is however clear to anyone reading the evidence that the principal cause of delay has been the Energy Secretary's desire to stamp his own individual philosophy on the electricity industry.

The main issue to be decided has been how to combine the need for strong leadership in strategic matters with the greatest practicable devolution of authority in operational matters. The Plowden committee, which inquired into the industry in 1974-76, proposed a unified structure in which the present generating and area boards would disappear as separate statutory bodies. The committee recognised the risk of over-centralisation but felt that it was pointless to set up a central authority and then frustrate it for fear its power might be misused. As safeguards, however, it proposed that the new corporation should have a statutory duty to devolve maximum authority in line management and that organisational changes should be subject to Ministerial approval.

A chance

The urgent need however is to end the prolonged uncertainty in the electricity supply industry. The deferral of an election gives the Government a chance to do this if it were to introduce a Bill which commanded a wide measure of support. This is not the only area where the need for a management reorganisation is universally accepted but where progress is being held up. The reorganisation of the nuclear reactor design and construction industry has been delayed by Mr. Benn's insistence on an increased state shareholding. Both are examples of the considerable economic damage that political involvement in industry can do.

Lending to Comecon

THE BROOKINGS Institution's latest report on Comecon financing repeats the now familiar warning that borrowing from the West is approaching its limits, that some Comecon borrowers may have to seek re-scheduling of part of their debt and that East-West trade is likely to decline as a consequence of lower future borrowing. The OECD came to a similar conclusion in a report by its planning and evaluation unit last June.

In spite of such warnings, however, there is little sign that the international banks are unduly worried and fund-raising continues. The Soviet Union recently raised \$500m through its International Investment Bank on very competitive terms. Hungary and the German Democratic Republic also recently raised \$300m each. The American banks in particular balked at the very narrow spread offered by Hungary, but that demonstrated dislike for narrow margins per se rather than nervousness about lending to a Comecon country.

Major effort

The Soviet Union is believed to have provided Poland with a hard currency loan in 1976 in the aftermath of the Polish government's unsuccessful attempt to raise food prices. But it is clearly unwilling to provide such assistance except in extremis, particularly when the standard of living in Comecon countries is considerably higher than in the Soviet Union itself. It is also unwilling to increase the present level of oil exports to Eastern Europe in the next Five-Year-Plan period.

Poland is currently making a major effort to reduce its trade deficit with the West and is also making steady progress with its long term aim of creating a more rational price structure. However, this year's Polish harvest again looks unsatisfactory and bottlenecks have appeared

in energy supply and other key areas, and according to the Bank for International Settlements, nearly 40 per cent of its \$8.8bn foreign debt is due for repayment this year. Poland is clearly in the front line for any re-scheduling which may be necessary.

Taken as a whole, however, the overall Comecon debt of around \$80bn is not much higher than the debt of Brazil alone and is backed up by massive energy, raw material and other resources in the context of a planned economy capable of making debt repayment a top priority if needed.

The real problem is that the ratio of Comecon debt to its hard currency export receipts is very high. Comecon countries have borrowed in order to finance high technology imports and so raise the overall efficiency of their economies. The theory was that this would create the sort of export-orientated industries which would be able to compete in world markets and generate the hard currency income with which to repay the debt.

To the extent that such borrowing has been linked to compensation agreements this self-financing aspect has been materialised. But the slowdown in the Western economies, which has reduced overall export possibilities, has also highlighted the flaw in this theory.

Imported technology, even the very latest, tends to be somewhat dated when installed. It therefore tends to produce goods which are already in adequate if not excess supply in the West. This is certainly the case with many of the Comecon's chemical plants; they are now starting to turn out products which would be unsaleable on Western markets were it not for buy-back arrangements or the sort of price cutting which inevitably provokes dumping charges.

Until the Comecon countries are capable of developing and producing their own products to compete on Western markets it is clear that the sort of doubts expressed by Brookings will continue, especially as Comecon's ability to export energy and raw materials seems bound to diminish over the next decade.

Peugeot's Chrysler options

BY TERRY DODSWORTH, Motor Industry Correspondent

JEAN PARAYRE, the bureaucrat who switched horses to become boss of Peugeot-Citroen and masterminded the bid for Chrysler Europe, has had a marvellous Press in the last six weeks. Apart from a few lone voices on the Left, he has been hailed in France as the man who brought the French motor industry back under the control of Frenchmen. In the rest of the world he is seen as the man who, in one bold sweep, has somersaulted over Volkswagen, Renault and Daimler-Benz to create the biggest European motor group and the largest company of its kind outside the U.S. But as the plaudits die down, the question is being asked: can he run it?

In the immediate aftermath of the Chrysler takeover, this issue was brushed aside. Peugeot had successfully merged with Citroen. It was said, so why should it not do the same with Chrysler Europe? The logic of the deal lay in Peugeot's management talents which had been well proved in the previous amalgamation.

The strength of this argument is that the Peugeot management has indeed delivered the goods over the last few years, whereas Chrysler's patents had not. The American company has never got to grips, managerially, with its European subsidiaries: it has not bred a strong indigenous management team, and it has not managed to blend the different companies and managerial skills which it inherited in France, the UK and Spain. Peugeot, by contrast, has had a

stable management team, which has delivered steady profits—even during the 1974-75 oil crisis—and which has turned round Citroen so quickly that it was able to pay back the \$200m Government loan within two years of the takeover.

Nevertheless, the analogy with the Citroen takeover could be a dangerous one. Chrysler will almost certainly prove to be a much more difficult business to take over than Citroen, both because the external circumstances are different, and because of the inherent state of the business. Externally, for example, the French economy improved and the European motor market expanded rapidly soon after the takeover, pulling Citroen along in their wake: within the space of three years the company increased its sales by 200,000 units. In addition, in Citroen itself Peugeot bought an enterprise with a good image and a strong reputation in engineering. And Peugeot only signed the deal after the biggest loss maker in Citroen—Berliet trucks—had been hired off and integrated into Renault's commercial vehicle interests.

In contrast to the Citroen merger, however, Peugeot's acquisition of Chrysler is taking place in less favourable market conditions, with all the signs at the moment pointing towards a reduction in registrations in Western Europe. Secondly, Chrysler has a weaker image than Citroen, and although its sales interests in France have performed creditably in recent years, it has none of the indiv-

idualistic flair and ingenuity which have established a special niche for Citroen in the European industry.

So for Peugeot the problem of taking on Chrysler Europe comes down to one of management. It has to re-establish the group in the public eye, get more out of its facilities than the Americans ever achieved, and make the organisation work more effectively at a time when market conditions are not particularly propitious.

The difficulty in judging whether it can do this is that its public statements on its proposed methods do not make a great deal of sense. Peugeot's declared intention, underlined in the agreement announced yesterday, is to manage Chrysler Europe very much on an arm's length basis, in much the same way as it has done at Citroen. It will keep the management and the range separate from its own; it will maintain the present factories; it will continue with the individual distribution networks. Only at the most senior level, in the central PSA-Citroen holding organisation, will the direction and strategy of the three companies come together, including finance and the development of an integrated range of components.

Yet, as the critics point out, the whole logic of the deal points towards a shake up of the Chrysler organisation being essential. It would be unrealistic to suppose that the methods which have prevailed and failed for the last ten years will suddenly become successful simply because of a change of ownership.

Because of this reasoning, most competitors in the industry believe that at the very least Peugeot will have to inject a substantial element of its own management into Chrysler. Many also expect that it will have to abandon its ideas of keeping Chrysler as a separate

entity for a time at least with the first approach. This was effectively underlined yesterday in its agreement with the British Government, in which it took on the old Chrysler Corporation obligations for maintaining the UK facilities. But the critics argue that if it goes ahead with this, it will have to do much more on the managerial front than it did at Citroen, where only 16 managers moved across.

Whether Peugeot has the managerial depth to do this, effectively is anyone's guess. Management is one of the scarcest resources in the industry and Peugeot's own capabilities must be as stretched as anyone else's given its expansion of the last few years. At the same time it has to face all the problems of becoming a truly multinational manufacturer for the first time, with sizeable facilities in both Spain and the UK, while creating a properly integrated Chrysler organisation out of three companies which have not blended together very well at all so far.

What the deal between Peugeot and the UK Government yesterday also made clear, however, is that Peugeot

option, it might mean the piecemeal integration of Chrysler facilities with its own. Peugeot has said that it needs extra production capacity for its cars, and it could use Chrysler Europe for this. It might also want to develop commercial vehicle interests under its own banner, although this will need considerable investment and development effort to be fully competitive with other leading European organisations.

In addition it could—would—keep the Chrysler distribution chain. In the UK, these sizeable networks represent a great deal of investment which it would be very expensive to build up from scratch. In the UK they could be Peugeot and Citroen from insignificant position to market share of up to 20 per cent. And it will not have escaped the Government's notice that most of these dealerships are private organisations over which it has no control. However, many declarations of intent it signs with Peugeot

are up to 20 per cent worse off in pay terms than their counterparts at Renault.

A report prepared by the International Metalworkers Federation (IMF) says that against great difficulties in trying to organise at both Peugeot-Citroen and Renault-Chrysler, Peugeot is the least anti-union of the three managements although the relationship is by no means a positive one. "The most reactionary management is no doubt that of Citroen where fascist methods are used against the two democratic unions while a company union has been developed."

The first concern of the British unions has been to ensure that Peugeot-Citroen does not import industrial relations notions learned from a background of company unionism in the Chrysler UK factories. They are satisfied for the present that the new planning agreement will require the French company to operate within the established industrial relations structure.

However, an undoubted consequence of the takeover will be an attempt by the unions to be a convenient place to sit in the new company to co-

ordinate their activities across national boundaries to a much greater extent than in the past. Union leaders have long been aware of the problems of exerting influence in multi-national companies. At last month's IMF conference in Geneva, leaders of the Transport and General Workers Union, the AUEW, and other leading British car industry unions joined European colleagues in declaring that "facing the anti-union practices of Peugeot-Citroen and French Chrysler managements we demand that these policies cease and that democratic unions be recognised as the authentic workers' representatives."

There is, sometimes, more rhetoric than reality in international trade union declarations. British union leaders are well aware of the comparative weakness of some of their consensual counterparts. But if the unions, with the unhappy experience of Chrysler behind them, are seriously determined to produce an international trade union response to a multinational company, Europe's motor manufacturer would be a convenient place to sit in the new company to co-

operate. Peugeot-Citroen workers are up to 20 per cent worse off in pay terms than their counterparts at Renault.

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A tougher approach to unions

BY ALAN PIKE and DAVID WHITE

THE DIRECTORS of Peugeot-Citroen will soon have to take a tough bunch of cookies. Peugeot-Citroen will soon have to take a tough bunch of cookies.

It is not unusual for union organisation in the British engineering industry to be stronger than in French companies; but the contrast between Chrysler UK and Peugeot-Citroen is more than usually extreme. While most British union leaders have accepted throughout the recent negotiations that there was no real alternative to the Peugeot-Citroen offer, they have been under no illusions about the industrial relations outlook of the new owners.

British union assessments of the company's attitude towards collective bargaining have ranged from a polite "anti-union" to a more robust "semi-fascist" with the strongest criticism applied to the old Citroen end of the partnership. It took the intervention of the British Government to persuade Peugeot-Citroen to meet the British unions before approval for the deal was announced. When he emerged from the meeting Mr. Gavin Laird, a leading member of the Amalgamated Union of Engineering Workers, executed and himself weakening at the negotiating table, described the French team

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ing, mentioned by Dr. Johnson and Dickens, was once used by Beau Brummel to grease his boots, with a favoured mixture of mutton fat and champagne.

Hatchetta also saw some of the last tea dances before becoming, under Marks, the focus of the departed oscillating decade. "We are negotiating for new premises not far off," says Marks, but will not say where. "You've got to be careful. The Arabs buy everything they can and they offer telephone number figures."

Fuel for thought

A colleague has just been given the task of telephoning the international banks in London, all 270 of them, and asking them who handles their energy projects. She has been a bit bewildered by the response.

A few banks' switchboards help her instantly. On other occasions her questions are greeted with a chuckle. "There are only two of us here." One bank, perhaps thinking she was inquiring about the bank's own fuel requirements, regretted that the caretaker was out. Another operator, weary replied. "No one here has any energy." And a third, baffled, demanded: "Energy? What's that?"

Quite wide

Embroidery of the facts has to allow at least a glimpse of the truth. A colleague reading a press release about a new Lloyd's underwriting syndicate was surprised to read: "The territorial scope of the acceptance of business will be world wide, excluding the U.S." The syndicate's world will be a slightly shrunken one—the U.S. provides two-thirds of the world's insurance business.

Observer

biwater + shellabear

a merger that worked

In May 1977 Biwater Limited and Shellabear Price (Holdings) Limited merged to form Biwater Shellabear Limited, a new company with the ability to handle water supply contracts on a turnkey basis anywhere in the world, as well as motorways and major earthmoving projects.

It's a merger that's paid off handsomely already.

We've been awarded new civil engineering contracts in Pakistan, Nigeria and Trinidad, worth over £7m.

We have other major new projects in the offing, both in the UK and overseas.

And we've continued to provide the same high level of service for existing customers.

The future looks good. So do our figures.

Results (£000)	1977	1976
Biwater Group (See Note):		
Turnover	15,452	5,140
Profit before tax	828	571
Biwater Shellabear Ltd. formerly Shellabear Price (Holdings) Ltd.:		
Turnover	8,622	7,987
Profit before tax	414	49

Notes: The 1977 Group figures include Biwater Ltd. and its subsidiaries. The 1976 Group figures exclude the results of Shellabear Price (Holdings) Ltd.

For a copy of our 1977 Annual Report please contact: The Secretary to—

Biwater Shellabear Ltd.

Biwater House, Mill Road, Holywood, Dorking RH8 5ANU

Tel: Dorking (0386) 6671

مكتبة من الامارات

Alex Howden improves to £11.5m halfway

BEFORE tax of the Alex Howden Group, the company's profits improved from £10.33m in the first half of 1977 to £11.5m in the first half of 1978. The balance sheet at June 30, 1978, shows the company's assets at £24.9m (1977: £23.1m) with bank overdrafts appearing at £3.6m (1977: £2.3m).

The company's profits improved from £10.33m in the first half of 1977 to £11.5m in the first half of 1978. The balance sheet at June 30, 1978, shows the company's assets at £24.9m (1977: £23.1m) with bank overdrafts appearing at £3.6m (1977: £2.3m).

Whatman Reeve decline

WHILE SALES rose from £4.6m to £5.3m in the first half of 1978, the company's profits fell from £1.1m to £0.8m. The company's assets at June 30, 1978, were £11.5m (1977: £10.3m) with bank overdrafts appearing at £3.6m (1977: £2.3m).

own Bros. vances to .64m

IN six months to June 30, 1978, the company's profits improved from £0.5m in the first half of 1977 to £0.64m in the first half of 1978. The company's assets at June 30, 1978, were £11.5m (1977: £10.3m) with bank overdrafts appearing at £3.6m (1977: £2.3m).

Expansion for Wm. Morrison

FROM TURNOVER 25 per cent higher at £50.47m pre-tax profit of £1.1m, the company's profits improved from £0.5m in the first half of 1977 to £0.64m in the first half of 1978. The company's assets at June 30, 1978, were £11.5m (1977: £10.3m) with bank overdrafts appearing at £3.6m (1977: £2.3m).

Interest charges in the period were cut from £198,021 to £154,777, while rents receivable increased to £112,352. No depreciation of freehold or long leasehold land and buildings has been provided, and Mr. K. D. Morrison, the chairman, says directors believe the market value of these assets substantially exceeds the book value, which is at cost. Also, as the relief owing to stock appreciation and first year allowances at year end are impossible to calculate at this stage, no tax provision has been made.

The interim dividend is up from an adjusted 0.33p to 0.35p. Last year a total of 0.75107p was paid on record profits of £2m. These directors have waived rights to interim payments totalling £24,120. Mr. Morrison says the acquisition of Whelms Discount Stores in April has opened new opportunities and steps are currently being taken to improve the performance. The Preston store is closed to allow extensive refurbishment and will reopen in November, and the St. Helens store is being extended. Considerable expenditure is being incurred in bringing these units up to group standards.

The Lifestyle warehouse was completed on schedule, is now fully operational and will bring immediate benefits in increased efficiency. Extensions are being built at the moment to its central grocery warehouse and produce depot to cope with increased demand. The fresh food factory is at the final design stage and the group will shortly be inviting tenders for its construction.

Work is proceeding on its new Hyrogate store, planning permissions are being sought for major stores in Darlington, Sheffield and Wakefield and a number of other sites are at various stages of negotiation, he says.

Galliford Brindley picks up

A BETTER than expected second-half profit ahead from £1.17m to £1.49m has left taxable profit at Galliford Brindley £163,283 higher at a peak £2.51m in year ended June 30, 1978.

At half time, after a slip from £1.18m to £1.02m, Mr. Peter Galliford, the chairman, said that while the result for the year was expected to be a sound one, a figure below the 1976-77 record was anticipated.

He now says the profit increase came despite bad weather. Now demand for construction has stopped falling, some confidence has returned to the industry and although the level of demand is well below that of the early 1970s, order books, taken as a whole, are better than those of a year ago, he says.

The profit is after depreciation of £10,336 (£8,037). Tax takes £86,852 (£1,133m), leaving net profit at £1.17m (£1.11m). The result excludes the recently acquired S. C. Brown and Co. The final dividend of 2.66p per share takes the total from 3.03p to 3.41p.

Mr. Galliford says group shareholders' funds have increased from £3.25m to £3.45m after the elimination of £1,056m of goodwill. Funds have been boosted by retained earnings, unrequired deferred tax and a revaluation of freehold land and buildings.

Galliford's interests include building and development, civil engineering, heating and ventilation, engineering and plant hire.

Wimpey down by £3m midterm

A FIRST-HALF 1978 profit slow-down of £3m to £24.5m at the pre-tax level by George Wimpey and Co. took the City by surprise yesterday. The market had been expecting an increase of some £3.5m for six months.

Operating surplus, including the group's share of associate's results, slipped 30.5m to £18.5m but, because of further expansion in North America and in property interests in the UK and overseas, interest costs soared from £1.5m to £4.5m.

Wimpey down by £3m midterm

Mr. R. B. Smith, chairman of the building, civil, mechanical and electrical engineering contractor, says the effects of the recession in the UK construction markets, which started some two years ago, are now being shown in the figures to be reported this year. As always in the industry, results of a single short period are of limited significance, and the profit in the second half should be substantially higher than in the first six months. For 1977 profit was a record £51.4m and at the annual meeting in May Mr. Smith said he was confident that the company would have another good year in 1978.

The value of work carried out during the half year increased by 20 per cent to £400m, compared with £338m. The greater part of the increase related to the UK, where sales of private houses were at a very satisfactory level and construction volumes were higher. Overseas the rate of expansion slowed reflecting increased competitive pressures in certain areas, but was nevertheless encouraging, Mr. Smith adds.

Tax for the half year took £7.3m (£6.8m) leaving the net profit at £11.2m (£10.7m).

Downs Surgical well up in first six months

FOR THE half-year ended June 30, 1978, sales of Downs Surgical increased from £6.91m to £7.18m and pre-tax profits rose sharply to £704,000 compared with £428,000 in the same period last year.

The current trading period is for 15 months to March 31 next year—a first interim dividend of 0.8p (0.7p) is now declared and directors propose to pay a second interim of the same amount in May, 1979, and will announce a final next August.

It is anticipated that there will be a satisfactory increase in the equivalent annual rate over last year's total of 2.325p, the directors state. Pre-tax profit in 1977 totalled £377,000. Tax charge in the first six months is £211,000 (£125,000), giving earnings per share of 3.3p against 1.96p.

The directors say current objectives include further improvements in internal efficiency and the strengthening of management, particularly in production areas. The performance of the group has improved substantially during the first half and they are confident the improvement will continue.

Sales 1978 1977
£m £m
Sales 1,175 1,071
Operating profit 704 428
Profit before tax 704 428
Tax 211 125
Profit 493 303
Extraordinary credit 49 288
Dividends 119 144
Reserves 114 144

Profit arising on disposal of shares in Surgical Distributors, Ireland, of £34,000 was a share of earned interest, partly consolidated earnings, £16,000.

F. H. Tomkins looks for increase

Mr. Gerald Garman, chairman of F. H. Tomkins, told the annual meeting that he would be disappointed if the first half results were not better than the corresponding period last year.

Referring to the closing down by GKN of its one specialist stainless steel and nut operation in the UK, Mr. Garman said the operation was an area in which Tomkins was active. "We have been adjusting our plans to the factors to which GKN refer and we shall use every effort to take up any profitable opportunities presented by the gap."

As regards the dividend, he said last minute legislation prevented the directors from paying that originally announced but it was their intention to make good the shortfall in the interim dividend.

Hunt and Moscrop up to £1.48m

After advancing from £985,000 to £990,000 at half-time (taxable profit of Hunt and Moscrop (Mid Eastern) ended the June 30, 1978 year ahead from £1,330,282 to £1,481,046. Turnover was £16,388,000 against £12,338,000 previously.

After UK tax of £788,778 (£609,041), overseas tax of £40,616 (£32,031) and £44,657 for UK prior year adjustments and credit came out at £608,991 (£509,117).

There was a £1,625 exchange loss, a £109,000 (£78,883) goodwill adjustment and a £2,002 loss (£25,697 profit) on prior year adjustments. Last time there was a £2,139 deficit on subsidiary "available" costs.

Bowring

Profit announcement for the Half Year ended 30th June, 1978

The unaudited Consolidated Group Profit after convertible loan stock interest for the six months to 30th June, 1978 is £19,071,000 as against £14,951,000 for the six months to June, 1977.

	6 months ended 30.6.78	6 months ended 30.6.77	12 months ended 30.6.78
Turnover	£'000	£'000	£'000
	645,020	548,782	1,088,091
Consolidated Group Profit	19,071	14,951	33,007
Taxation	9,917	7,785	16,298
Profit after taxation	9,154	7,166	16,709
Minority	269	204	387
Preference dividend	8,885	6,962	16,322
Available for Ordinary Shareholders	8,880	6,957	16,311

□ All sectors of the Group other than shipping have contributed to the 27% increase in profit before tax for the six months ended 30th June, 1978.

□ Insurance broking profits again increased, in spite of the adverse effect of the weakness of the U.S. dollar, and there was an improved contribution from the underwriting activities. Bowmaker, the credit finance and engineering subsidiary, had an excellent first half year. Merchant banking and trading profits showed improvement. There was a further loss in shipping, but for the year as a whole the operating loss is expected to be less than in 1977. This will be mitigated by exceptional profits.

□ The Directors expect that profits for the year 1978 will show improvement over 1977 but the rate of growth seen in the first half is not expected to continue in the second half of the year.

□ The Directors have resolved to pay an interim dividend of 1.013375p per share for the year ending 31st December, 1978 which together with imputed tax credit amounts to 1.5125p per share (1977 1.375p per share). In addition, arising from the reduction of 1 per cent in the basic rate of income tax since the declaration of the final dividend for 1977, the Directors have resolved to pay a further dividend for the year ended 31st December, 1977 of 0.030899p per share which together with imputed tax credit amounts to 0.046118p per share. This gives a total payment of 1.044274p per share payable on 20th November 1978 to Ordinary Shareholders on the Register on 20th October, 1978. These dividends will absorb £1,086,000 and £33,000 respectively.

Awarded to C. T. Bowring (Insurance) Holdings Ltd.

C. T. Bowring & Co. Ltd

The Bowring Building, Tower Place, London EC3P 3BE

COMBINED ENGLISH STORES GROUP LIMITED

Interim Statement

Chairman Murray Gordon reports

Another record

The unaudited consolidated results for the 28 weeks ended 12 August 1978 were as follows:	28 weeks ended 12 August 1978	28 weeks ended 13 August 1977	52 weeks ended 28 January 1978
	£000	£000	£000
Sales excluding VAT	34,180	25,951	56,904
Profit of the Company and its subsidiaries	1,603	517	3,975
Share of profit of the associated company and its subsidiaries	86	134	367
Profit before taxation	1,689	651	4,342
Taxation — estimated	676	282	1,880
Profit after taxation	1,013	369	2,462
Deduct: Extraordinary items	957	—	—
	56	369	2,462
Transfer from (to) reserves	293	(58)	(1,806)
	349	311	656
Dividends: Preference	8	8	16
Ordinary	341	303	640
	349	311	656

Notes:

The profit of the Company and its subsidiaries includes profit on the disposal of property, including sales and leasebacks, amounting to £337,000 (28 weeks ended 13 August 1977 £295,000; 52 weeks ended 28 January 1978 £708,000).

Extraordinary items relate to the disposal of Lindor S.A. and the termination of the trading activities of Pauls Carpet Warehouse Limited and include £602,000 written off goodwill.

The Directors have declared an interim dividend for the financial year ending 27 January 1979 of 1.7150p (1977/78 1.5357p) payable on 17 November 1978 to Ordinary shareholders on the register on 13 October 1978. The Directors intend to recommend the maximum final dividend allowed under the present Government regulations.

The Group enjoyed favourable trading conditions for its main-stream United Kingdom activities and a record profit was achieved. The Kendall chain of 84 ladies fashion shops, which was incurring losses when it was acquired, was successfully turned round to make a positive contribution to the profit for the period. I am confident that Kendall will make a greater contribution to the profit for the remainder of the year and will progress to become one of the most important fashion companies in our Group.

I have great confidence that this financial year will be another year of substantial growth for the Group. The Group has considerable financial and managerial strength and further opportunities for expansion are being actively sought.

RESULTS FOR SIX MONTHS ENDED 30TH JUNE 1978

1. The Company's unaudited results for the six months ended 30th June 1978 show a pre-tax profit of £5,157m (1977 £18.11m) including the contributions, shown on the attached statement, from businesses now nationalised.

2. The U.K. operations, other than Offshore Engineering, together achieved higher profits than in the first half of last year. In Australia and Canada lower profits were earned, the Canadian performance being severely affected by a four week strike at the plant. The effects of rapid developments in underwater technology and weak market conditions have combined to produce significant losses during 1978 in the Offshore Engineering Group, particularly in Vickers Oceanics Limited. Remedial actions already taken and those that are in hand, supported by continuation of the extensive research and development programme, are aimed at strengthening the position of these businesses in this important engineering sector.

3. Negotiations with the Government on the nationalisation compensation issue are in progress. Payments on account, amounting in total to £10.1m, have been received, on which an interest credit of £0.688m has been included in the first six months' results.

4. At their meeting to-day the Directors decided to declare an interim dividend of 3.85p (1977 3.85p) per £1 ordinary stock equivalent, with associated tax credit, to 5.7463p gross (1977 5.833p gross). The dividend which will cost £1.684m net, will be paid on 3rd January 1979 to Stockholders on the Register at 29th November 1978.

28th September 1978

ROBENS
Chairman

Vickers

Vickers Limited
Unaudited half-year's results

	Half-Year Ended 30th June 1978	Year Ended 31st Dec 1977	Year Ended 31st Dec 1976
Sales (Note 1)	£'000	£'000	£'000
	191,433	236,493	409,388
Consolidated trading profit (Note 2)	10,055	16,146	26,617
Investment income	313	41	273
Interest payable less receivable	(5,208)	(5,684)	(9,795)
Consolidated profit before taxation	5,160	10,503	17,095
Share of profits of associated companies (Note 3)	(3)	7,613	7,966
Profit before taxation	5,157	18,116	25,061
Taxation	2,100	8,800	11,013
Profit after Taxation	3,057	9,316	14,048
Minority shareholders' interest	441	601	1,393
Stockholders' profit before extraordinary items	2,616	8,715	12,655
Preference dividends	193	191	382
Ordinary shareholders' profit before extraordinary items	2,423	8,524	12,273
Earnings per £1 of ordinary stock	3.5p	19.5p	28.1p

Notes:

1. Includes Shipbuilding sales

2. Includes Shipbuilding trading profit

3. Includes share of profits of British Aircraft Corporation (Holdings) Limited

7,974 7,974

Vickers Limited, Vickers House, Millbank, London SW1P 4RA

By Order of the Board
J.D.F. Drum
Secretary

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN NEWS

Court orders new election of Kennecott directors

BY JOHN WYLES

THE U.S. Appeals Court in New York today threatened a partial re-run of the extraordinary saga of Kennecott Copper Corporation and Curtiss-Wright by ordering a new election of directors to the copper company's board.

This appeared to be the most important outcome of Curtiss-Wright's appeal against a District Court judgment issued in May on the eve of Kennecott's annual meeting which prevented it voting its 9.9 per cent equity stake and proxies in favour of a rival list of directors. Curtiss-Wright managed to secure a temporary stay of execution of this decision on the very morning of the meeting and argued at the full hearing before the Appeals Court that the Lower Court decision had severely impaired its chances of success by causing some stockholders in swing behind the Kennecott board at the last moment.

Issuing its decision today the Appeals Court ordered the

District Court to "void the 1978 annual Kennecott meeting in whole or appropriate part and order that a new election of directors be promptly held with a proper resuscitation of proxies."

After a long, bitter and expensive battle the Kennecott board won the May vote by a modest margin of 1.6m votes out of close to 24m cast. The District Court Judge ruled in May that Curtiss-Wright had issued "false and misleading proxy material and that it had failed fully to research its programme of selling off the newly-acquired Carborundum subsidiary and to use the proceeds to pay \$40 a share to each stockholder surrendering half of his holding in Kennecott. The Judge also decided that Curtiss-Wright control of Kennecott would be anti-competitive and would breach anti-trust laws because Curtiss-Wright had an interest in a company manufacturing filter bags which was in competition with a Carborundum division.

The Appeals Court today ordered a retrial on the alleged anti-competitive impact and dismissed Kennecott's claim that Curtiss-Wright acquisition of control would breach anti-trust laws.

Most observers doubt whether Curtiss-Wright's prospects of victory would be as good as they were if the proxy battle is rerun. However, Kennecott will be extremely reluctant to engage in fresh combat and today's judgment may either encourage some kind of settlement with its adversary, or a Kennecott attempt to place a large block of its shares in friendly hands.

Early last week, Standard Oil of Indiana admitted that it had been talking to Kennecott about some form of association, but it denied rumours that it planned to purchase a 30 per cent stake in the U.S. largest copper producer. It had been on the basis of \$40 a share, Kennecott's stock was trading this morning at around \$27.

Alcan sees strong sales growth in second half

NEW YORK, Sept. 28.

ALCAN Aluminium expects sales for the remainder of the year to improve from the 13 per cent gain of the first half.

In the first half, Alcan earned \$20.4m on revenue of \$1.78bn, up from net of \$13.9m on revenues of \$1.53bn. Sales in 1977 totalled \$3.03bn.

Commenting on the earnings outlook, Mr. John H. Hale, executive vice-president, said that the year continues to shape up as a good year for the company. In 1977 Alcan earned \$201.5m.

According to Mr. Hale, trends are satisfactory, margins are firm and surplus inventories are expected to be at low level by year-end.

Mr. Nathaniel V. Davis, the company's chairman, sees things set reasonably fair for the aluminium industry in North America and most other areas. He added that the greatly improved profits reported by North American aluminium producers contain a true measure of growth, they also contain an unreal element arising from inflation.

MEXICO'S PETROCHEMICALS INDUSTRY

A power to reckon with

BY WILLIAM CHISLETT IN MEXICO CITY

BETWEEN NOW and 1983, Mexico's petrochemicals industry, one of the most dynamic sectors of the country's oil-rich economy, is expected to triple capacity to around 19.4m tonnes a year.

Just as Mexico is becoming a world oil giant, so the country will also be a power to reckon with as a producer of basic petrochemicals.

Mexico's petrochemicals industry produced 4.2m tonnes of basic petrochemicals last year: 63 times higher than production in 1960. The Mexican industry is the largest in Latin America and basic production will be sufficient to supply the domestic market by 1982, thereby so converting a net import bill of some \$750m for chemicals into an export bonus of \$350m.

This programme involves \$1.4bn pesos (\$2.2m investment) by Petrolera Mexicana (Pemex), the state-owned oil company, for the period 1977-82 with the largest slice — 15.2bn pesos (\$250m) being spent this year. The 38 petrochemicals products now produced by Pemex will increase to 44 during this period.

A further 38.6bn pesos (\$1.6bn) from other public bodies and also private sectors (their money is destined for secondary petrochemicals) is also being invested over this six-year period. The Government is hopeful that with production rapidly increasing the contribution of petrochemicals to the gross domestic product will

increase from 1.7 per cent in 1977 to 3.8 per cent in 1982. The Mexican industry dates back to 1961, when the first plant of sulphur was started in Poza Rica from the sweetening of natural gas. But not until 1980 did it really get off the ground with the operation of the dodecylbenzene plant in Acapulco, the installation of the first anhydrous ammonia plant.

The Mexican petrochemicals industry is already the largest in Latin America. In the next four years it is expected to triple production, establishing itself as a world power in basic petrochemical production and also becoming self-sufficient in petrochemicals—converting a net import bill of \$750m into an export bonus of \$350m.

plants and the production of aromatics from naphtha at Minatitlan.

Now Pemex, which manages the basic petrochemical production, leaving the secondary part to the private sector, has 63 operating petrochemical plants in 15 different places. Another 31 are under construction and a further 25 are being planned. Figures released by the Government this month show that so far this year, gas which comes out with the construction of three plants—Bata, being taken of propane, five should be finished by the end of the year.

Two of these will be producing ammonia for the production of liquefied gas.

MEDIUM-TERM CREDITS

Better rates for Argentina

By Francis Gills

An Argentinian borrower, the state oil company, Yacimientos Petroliferos Fiscales (YPF), has succeeded in improving the terms of a loan which an Argentinian borrower can raise funds in the international financial markets.

It has arranged a \$250m 12-year loan with six years grace on split spread rising from 2 per cent for the first six years to 1 per cent for the remainder. The loan carries a sovereign guarantee.

The last major loan for an Argentinian borrower, Agnifera Electrica, boasted a split spread of 1 per cent for the first three years, rising to 2 per cent for the remainder, seven and a half years.

Kuhn, Loeb, Lehman Brothers is co-ordinating the loan; other banks in the management group include Societe Generale, BNP, Bank Sumitomo, Tokai Bank and Industrial Bank of Japan.

The management group of the loan for YPF includes one French, one West German and three Japanese banks.

A \$70m seven-year loan with three years grace is expected to be signed in London this week for five Yugoslav banks—Ljubljanska Banka, Privredna Banka, Zagreb, Privredna Banka Beograd, and Udruzena Banka Beograd.

The borrower is paying a spread of 1.5 per cent for the first three years, rising to 1.1 per cent. Lead manager is KFTIC.

The \$40m loan for Hidroelectrica de Catalana, which is being arranged by Chase Manhattan, has been increased to \$50m with terms otherwise unchanged. The same bank is leading a \$40m loan for SII the Italian state telephone company.

Barclays Bank is arranging a \$70m medium-term loan to Bank Handlowy w Warszawie the terms of this transaction remain undisclosed but the loan is part of a much larger operation amounting to \$280m. The remaining \$220m are lines of credit from ECGD.

Westinghouse settlement near

BY DAVID LASCELLES

NEW YORK, Sept. 28.

A FURTHER settlement in the complex, long-running uranium supply contracts with more than 20 utilities because the price of electric and a number of utilities was reported to be imminent today.

According to the Wall Street Journal, Westinghouse is close to an out-of-court agreement with Houston Lighting and Power, with whom about 11.4m lb of uranium is in dispute. Neither party would comment on the report, citing a judge's order barring discussion of such settlements.

The litigation arose out of Westinghouse's announcement in 1975 that it would not honour

previously negotiated uranium supply contracts with more than 20 utilities because the price of electric and a number of utilities was reported to be imminent today.

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TRW optimistic on outlook

NEW YORK, Sept. 28.

TRW, the aerospace, tools and vehicle parts group, expects earnings for the third quarter to exceed the 11 per cent increase reported for the first half, according to Mr. Ruben F. Mettler, chairman. In last year's third quarter, TRW earned \$1.12 per share on sales of \$797.3m, while in the first six months, TRW earned \$2.58 a share on sales of \$1.5bn.

For the whole of 1978, TRW is confident of earning more than 1977's 94.77 a share and sales should easily top last year's \$3.26bn.

Mr. Mettler says the company's spacecraft operations have a backlog of about \$750m, currently about \$200m higher than a year ago.

EIB Eurobond makes poor start

BY OUR EUROMARKETS STAFF

THE FIRST day of trading of the new French franc Eurobond from the European Investment Bank proved the pessimists right. While the lead manager, Crédit Commercial de France was quoting the EIB issue at 97.10, the market in Paris was quoting a price of 96.10.

This represents a two-point fall on the day as a number of holders, both in France and abroad sold their holdings. This weak debut occurred despite the

firmness of the French franc in the DM. At Jussieu's price yesterday of 97.10, the conversion of the DM80m convertible from the DM30m convertible for the chain, and initial indications in the market for this issue are expected to be a bond that is now selling at a premium of over one point.

The bond matures in February 1986. It has a coupon of 5.5 per cent, was priced at par, and is convertible from January 1979 at DM 1.20 per Jussieu share changed in price, although with a fixed exchange rate of 197 volume was lively.

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RESULTS IN BRIEF

Del Monte's quarterly earnings decline

NEW YORK, Sept. 28.

DEL MONTE, the fruit and vegetable canning company, which this week accepted the increased bid from R. J. Reynolds tobacco concern, suffered a slight earnings dip in the first quarter to 73 cents a share from 77 cents.

More encouraging was the store group, saw its earnings result from Beatrice Foods, which last month completed its stalled acquisition of Tropical Products at the halfway stage, its earnings per share showed a rise from \$1.28 to \$1.48.

Completing today's trio of food company figures, Stokely-Van Camp, which operates in the canned and frozen sector, reported a first-quarter jump in earnings from 65 cents to 73 cents.

R. H. Macy, the department store group, saw its earnings advance from \$5.33 to \$5.18 a share for the full year, while Super Value Stores, ahead after six months from 78 cents to 94 cents.

At paperboard and glassware

concern Federal Paper Board, the per share figure surged sharply ahead during the first nine months to \$2.18 from \$1.35. Roadway Express, the freight haulage company reporting for the same period, raised earnings from \$1.49 to \$1.61.

For the whole year, U.S. Shoe Corporation lifted its per share figure from \$2.75 to \$3.94, while Caesars World profits advanced from \$1.08 to \$1.61 per share.

Airline bid inquiry

The Justice Department has asked the Civil Aeronautics Board for permission to intervene in the merger application of Continental Airlines and Western Airlines. AP-DJ reports from Washington. The department's antitrust division said that it is intervening to determine whether the proposed merger may have an anti-competitive impact on the air transport industry.

NOTICE OF REDEMPTION

To the Holders of Privredna Banka Sarajevo Kuwaiti Dinars 5,000,000

9 1/4% Guaranteed Notes due 1982

Notice is hereby given that pursuant to the Provisions of Provisions dated as of 21 October 1978 providing for the above Notes, Kuwaiti Dinars 5,000,000 principal amount of said Notes, bearing the following serial numbers, have been selected for redemption on 1 November 1978, through drawing by lot in a manner deemed appropriate and fair by Kuwait International Finance Co. (S.A.K.), Kuwait, at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date.

NOTES OF K.D. 1,000 EACH.

NOTES OF AD. 1500-1600																													
3	5	8	9	10	11	13	15	16	17	19	23	24	25	26	27	28	29	30	33	36	41	49							
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238	240	270	280	283	291	296	298	302	304	306	315	318	321	327	329	332	335	336											
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1120	1121	1122	1123	1131	1140	1145	1148	1149	1150	1153	1156	1158	1163	1168	1171	1177	1182	1186	1187										
1196	1205	1211	1216	1217	1229	1230	1241	1247	1250	1253	1254	1261	1262	1266	1267	1270	1272	1280	1283										
1292	1304	1298	1299	1306	1314	1318	1319	1320	1321	1323	1326	1329	1331	1332	1336	1340	1343	1346	1347										
1375	1379	1380	1401	1401	1406	1414	1416	1417	1418	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429										
1450	1457	1501	1551	1551	1556	1561	1561	1567	1568	1571	1577	1579	1580	1591	1592	1600	1604	1611	1625	1634									
1652	1663	1665	1667	1670	1674	1680	1686	1689	1690	1694	1695	1700	1706	1708	1710	1711	1712	1716	1718										
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1784	1797	1800	1812	1814	1818	1822	1823	1826	1829	1835	1866	1871	1875	1879	1880	1886	1888	1900	1919										
1920	1930	1934	1935	1937	1943	1948	1950	1952	1954	1955	1959	1962	1963	1967	1981	1989	1994	1995	1996										
2001	2005	2017	2048	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068	2068										
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2336	2338	2348	2349	2350	2362	2366	2372	2373	2378	2401	2407	2408	2409	2410	2416	2424	2437	2440	2462										
2477	2480	2481	2494	2496	2498	2518	2528	2531	2538	2539	2557	2562	2568	2567	2572	2614	2619	2621	2623										
2629	2638	2638	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640	2640										
2726	2727	2728	2732	2733	2745	2746	2753	2753	2762	2766	2770	2771	2773	2779	2786	2788	2791	2793	2795										
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Europe's managers start to get organised

BY MAURICE GREEN

THROUGHOUT Europe managers with the increasing mobility of managers and professional technicians are showing growing awareness of the need to be organised and represented by a powerful body, capable of protecting their interests and making their views known.

In all European countries the interest in managerial and professional unionisation has grown as a result of concern over the erosion of salary differentials, fears of redundancy, a loss of belief in top management's ability to protect its middle and line managers, loss of authority by managers faced with manual unions' militancy, and the increasing volume of legislation which restricts many rights solely to members of trade unions.

Significantly, the various managerial organisations have formed an international organisation — the Confederation Internationale des Cadres (CIC). As the only international body co-ordinating the activities of managerial, professional and staff unions, it maintains a permanent presence in Geneva, where it has consultative status in the Council of Europe and in Brussels where it is consulted by all the major Common Market Commissions. It plans to maintain a permanent lobby at the European Parliament in Strasbourg.

Its membership includes managerial organisations in France, Belgium, Holland, Germany, Italy and Denmark, but not, so far, the UK. In addition, federations of managerial unions in particular "multi-national" industries such as chemicals, mining, metal, transport and agriculture are in membership. Insurance, textiles, food, and social services federations are in course of being formed.

Clearly, the managers of Europe are taking a leaf from the manual workers' book and

the TIC is the voice of the multi-million member manual unions. It has twice sent observers to meetings of the CIC.

In Holland an Act of Parliament in 1950 made it a legal requirement for all employees to be represented by a trade union. This resulted in many exclusively managerial organisations being formed on a company or "in house" basis, but no general union for managers emerged, although a national federation was formed.

This grew rapidly in the early 1970s as managers became aware of a growing need for collective representation. In 1973 the National Social Contract gave added impetus to the growth, when increases were given in the lower paid and to managers' reduced differentials.

The Dutch manual unions actually claimed that the purchasing power of managers should be reduced to give more to the lower paid and claimed the right to negotiate for all employees including managers. This accounts for the rapid growth of the national federation of managers which is now affiliated to the Council for Middle and Senior Staff. This is recognised and consulted by the Dutch Government and has a seat on the National Social and Economic Council.

Finland has gone furthest along the road to a national union of managerial and professional employees with 50 per cent of managers in membership of AKAVA, the central organisation of professional associations.

It is politically independent, steadily increasing its influence and authority and is recognised by government and employers as the organised voice of managerial and professional workers. It negotiates national agreements for public employees but leaves its constituent associations to negotiate in the private

sector. It is regarded with some suspicion by the two other "white collar" unions representing technicians and supervisors, clerical workers and junior executives.

Although unions tend to be small in France they are grouped into industrial federations or cadres by particular industries and these pack a great deal of "clout" with government and employers. The Confédération Générale des Cadres has a membership limited to salaried staffs and unions for managerial and professional workers. It also covers unions representing executives and supervisors and some which cater for both.

Founded in 1944, it represents members in the chemical and food industries, engineering, banks, insurance and commerce, with about 300,000 members in 70 unions.

Although each retains its autonomy the confederation will put its considerable weight behind any constituent union. It has also negotiated collective national agreements for many industries and although consulted by government is politically neutral, non-militant and clearly increasing its influence.

Its aims and objects are almost identical to those of the Management, Professional and Staff Liaison Group in Britain, and it is quite clearly the union of choice for the non-political, non-militant manager, professional or staff worker.

Surprisingly in Germany, so often cited as the example of industrial harmony, there is a considerable battle going on over the definition and position of managers.

There are three organisations for managers: the Deutsche Gewerkschaftsbund (DGB), the Deutsche Angestellten-Gewerkschaft (DAG), and the Union der leitenden Angestellten (ULA) a confederation of registered unions operating in the private sector only, with

33,700 managers in a wide variety of industries.

The DGB and DAG do not differentiate between different grades of members and see works councils which have extensive legal powers as the means to represent all employees.

Industrial democracy has been in existence in Germany for some time and in 1976 ULA won the right to appoint specific manager representatives to sit on supervisory boards in all companies with more than 2,500 employees.

There is a constant battle between ULA, the DGB and DAG which claim ULA is "elitist" and not entitled to any separate voice.

The paternalistic trust between managers and employers in Denmark was severely damaged by the 1973 economic crisis. Since then managers have organised and are working towards a single union for managers and professionals.

Salary review

Even without full trade union representation Danish managers succeeded in 1977 in obtaining an agreement which conceded an annual salary review to maintain differentials over other grades of workers, facilities for further education and training, and the right to organise collectively and strike. This resulted in the formation of the Danish Organisation of Managers, with 25,000 members.

Not surprisingly socialist Sweden has the highest degree of managerial unionisation—at least 80 per cent. This compares with union membership of 90 per cent of the manual workforce. A central organisation for salaried employees caters for non-manual workers and has a membership of about 1m.

More than half the total working population of 4m are

employed by the Government or government-controlled organisations. Thus the public sector dominates the managerial union scene.

In the private sector, managers either join unions affiliated to the central organisation for non-manual workers or exclusively management unions. These form part of a confederation known as SACO with 80,000 managerial and professional members in 26 unions. There is also a national federation of salaried employees.

In contrast to Sweden's virtual union monopoly, Switzerland has almost no unionised managers and it seems unlikely that there ever will be. Swiss managers seem to identify their interests almost totally with those of their companies.

Austria has no exclusively managerial and professional unions. The Austrian Trade Union Federation is highly centralised with about 60 per cent of the working population in membership. It represents workers at all levels, including managers, although it excludes the "top layer".

Under the law all workers are subject to collective agreements negotiated nationally by the federation.

Not surprisingly middle and line managers are unhappy about this situation and are increasingly agitating to be freed from these constraints and negotiate separately in their own companies.

In Italy about 45,000 managers are organised in the Confederazione Italiana Dei Dirigenti Aziende, which is recognised and consulted by the Government with representatives on national committees concerned with employment, salaries and conditions, with considerable influence on government action and policies.

Belgium, too, has an influential managerial national federation made up of a number of specialist unions.

The managers of Europe clearly want to throw off the constraints which have prevented them from protecting their position in face of the steady erosion of their financial and professional standing in industry.

The author, Dr. Maurice Green, is president of the Association of Management and Professional Staffs (formerly the Association of Professional Scientists and Technologists).

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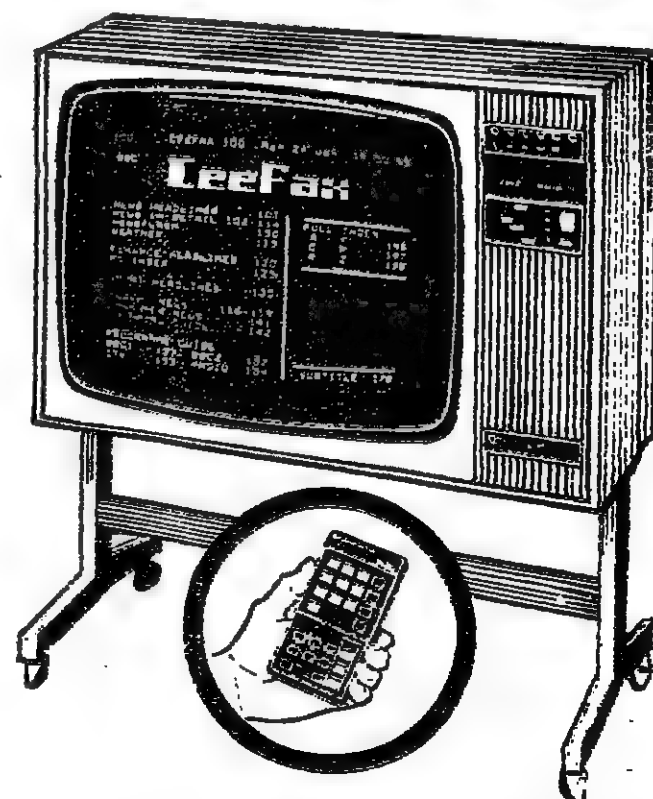
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The Property Market

BY MICHAEL CASSELL

Bullish outlook for investors

THE DISSATISFACTION surrounding accountancy procedures common to the property sector have overshadowed a major, positive advantage which companies are obtaining and which, with the impact of rent reviews and rising values, should help enhance their already improving investment status.

The view comes from the research arm of brokers Vickers de Costa which today publishes its quarterly property review.

According to the review, most property groups are well on the road to full financial recovery but their status from the investors' point of view has been marred by the continuing controversy over the sticky question of accountancy methods. In particular, over the past year or so there had been some dispute as to whether companies should make full depreciation provision in the profit and loss account, as recommended by the Accounting Standards Committee.

Although this would not affect a company's cash flow, it could result in losses at pre-tax levels. An airing has not been given, however, to the considerable tax benefits associated with capital allowances and which many companies are increasingly obtaining. The brokers calculate that up to one-third of the building cost of a modern office building can be eligible for a 100 per cent capital allowance.

In addition, where property companies are undertaking joint developments with institutions who may not have any Corpora-

tion Tax liability against which capital allowance can be set, the company can obtain the allowance on the whole project.

The ability of development companies to get these allowances, says the report, means that many of them are achieving below average tax payments, a situation which is likely to grow as development activity increases.

The market had not yet recognised the improvement in property companies' cash flow that would result from reduced tax rates.

Continuing on its bullish path, the report says that companies are now structuring their profit mix to take maximum advantage of allowances.

Bunching
With an expected improvement in profitability levels, deriving from a bunching of rent reviews and the tendency for reviews to shorten, the companies' attractiveness from an investment angle should improve and a narrowing of discounts to asset values should also follow.

Although the dispute with the Accounting Standards Committee seemed unlikely to be resolved quickly, companies were likely to go some way towards placing their credits by giving annual valuations.

Vickers de Costa says it expects institutional investors will again look on property shares as an attractive vehicle for taking a stake in property and says why

it believes the sector will be a dominant performer "at some stage over the next two or three years."

Rents would be rising in real terms and rising faster than dividends on industrial shares; the ratio of yields on property shares to yields on industrials would be closer to 1 than 0.5; there would have been a preceding rise in the ratio of yields on property itself to yields on industrials and, finally, the anticipated market was unlikely to be on a strong "bull" trend.

On the prospects for rents in the London area, Vickers de Costa says the continued high level of letting for office space is bringing about the predicted shortage of space much sooner than most observers had anticipated.

The estimate that City rents will reach £17 a sq ft by the end of this year, and that individual rents will go above that level.

Nevertheless, in general terms Vickers de Costa says it is only looking for a gradual increase in London office rents because most of the recent moves have involved large corporations consolidating their existing space combined with better facilities in the form of increased space per sq ft per employee.

In this context, big companies appear happy to pay around £12 to £14 per sq ft, and it is only in certain prestige positions in the City and Mayfair that will above average rents are being achieved.

In Brief...

● **THINGS** are looking up down under, according to a review of the Australian property market just published by Jones, Lang, Wootton.

There has, says the review, been a marked recovery in the property investment market, where the lowering of yields, a reduction in mortgage interest rates and increased letting activity have led to strong competition for prime space of all types from national and international funds.

Although there was a shortage of office space in some major cities, there had been virtually no movement in rental levels, which were still below the level needed to make new schemes viable.

The market bore a strong resemblance to that in the UK and with the continuing recovery of the Australian economy after the recent tough budget, there were again good property investment opportunities in nearly all sectors.

Yields for prime properties had hardened by about a half per cent and were: offices—8 to 8½ per cent; industrials—9 to 11 per cent; shops—7 to 11 per cent.

● **ON TO A BUSY** London office market in a week comes 150,000 sq ft of floorspace at Devonshire House, Piccadilly. Since 1967, the building has housed British Petroleum who held a lease from Winchester House Property, a subsidiary of Distillers.

One of the largest complete office areas available in the UK, the building is high for a single tenant. He will have to find £11m a year rental exclusive on a lease for a term expiring in 1986, but then, how many companies have a tube train arriving in the basement every 30 seconds during the day? Agents: Fuller Peiser and John D. Wood.

● **FULL DETAILS** this week of the five office blocks due to be vacated because of the impending move of Fluor (Great Britain) which was recently mentioned in this column. The UK arm of the American design engineering giant moves into British Rail's Euston Square development in the spring and so releases 167,400 sq ft of office space onto the market.

Fluor says it is prepared to consider assignments or subletting arrangements for the five properties, which should be available by March 1979.

Although only one of the properties—Blackfriars House in New Bridge Street—is technically in the City, the other four come close enough to justify a "City" tag.

Neither do agents Willie Druce and Brown, who have advised Fluor for seven years, waste the point that the properties attract Billington rather than City rates.

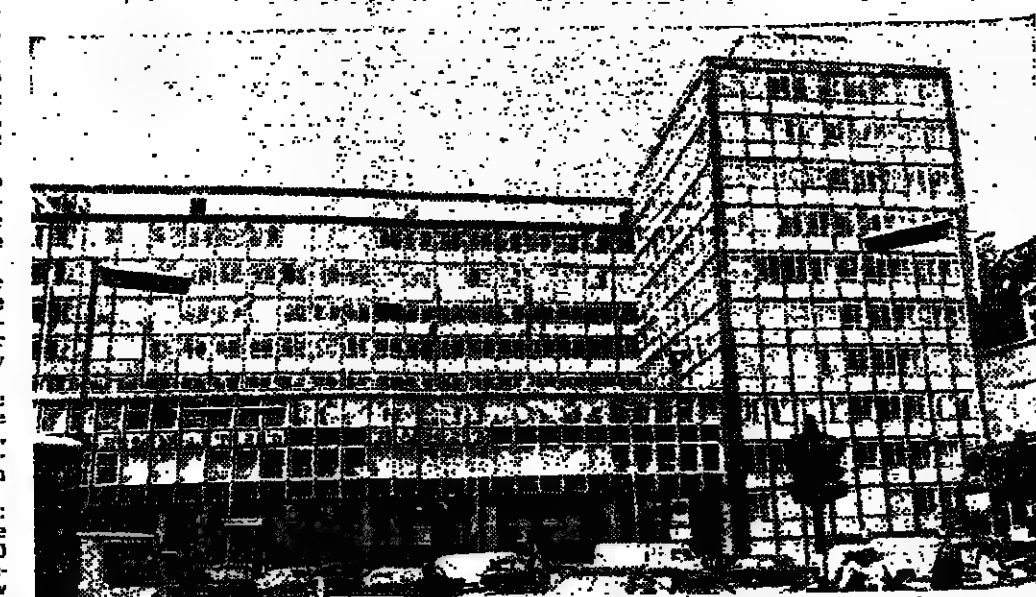
A reminder of the properties: Finwell House, Finsbury Square—69,250 sq ft, first review 1980 then 1983. 119, Finsbury Pavement—36,900 sq ft, first review 1981 then 1984. Blackfriars House—30,650 sq ft, first review 1981 then 8 years. 54, Wilson Street—15,500 sq ft, first review 1980 then 5 years and the Fluor "Flagship", 32, City Road—15,100 sq ft, first review 1983 then every five years.

● **GRAND METROPOLITAN** Pension Fund has acquired a modern reversionary office and shop investment at Crown Hill, Croydon, from Intereurope Property Holdings.

Grand Met has also bought four new warehouse units on the Glebe Farm industrial estate near Rugby with an annual income of about £65,000. Both investments were handled by Grand Met's Baker.

The combined purchase price was £1.5m.

● **MOTHERCARE**, according to the jingle, goes up to ten, but tomorrow it opens its 173rd store in the UK in Oxford Street. The latest addition to the growing chain of baby and child wear outlets will be followed in the next two months by new stores in Clydebank, Aldershot,



Hammersmith and Tunbridge Wells.

In Europe, a second Dutch store opens next month in Rotterdam and the Amsterdam outlet has been enlarged. A second Belgian store is due next spring and another 11 outlets are planned soon for the U.S.

● **NATIONAL MAGAZINE**, a wholly owned subsidiary of the Hearst Corporation of America, has taken a 35-year lease at a rent of over £10 a square foot on 52,000 sq ft of office space in the Electricity Supply Nominees office-retail-residential development known as Midmark in the Mecca of the 60's—Carnaby Street.

● **WHEATSHEAF** Investments, part of the Grosvenor Estate, has let its new 14,000 sq ft office development at 35 Grosvenor Street to Barold Overseas, a subsidiary of American conglomerate NL Industries. A rental of

£167,500 a year exclusive was quoted, but the terms of the transaction have not been disclosed.

● **RAMA SUPERSTORES** has paid about £200,000 for the lease of 421, Oxford Street, W1, previously occupied by Honey Bee. Following purchase of the lease, it was surrendered to the landlords and a new lease was entered into at a rent in the order of £120,000 a year exclusive. Total floorspace—6,700 sq ft.

● **FRASER WOOD** Properties this week announced the start of a pre-let and forward funded scheme for a 37,000 sq ft warehouse complex at Witham, Essex. The development, to be occupied by the Essex Area Health Authority, has been forward sold to the Equitable Life Assurance Society for about £200,000. The fund will also be providing the interim finance.

£200,000 rental for offices

PA MANAGEMENT Consultants is to pay about £10 a square foot for two floors of Bowater House East in London's Knightsbridge. United Molasses has assigned the lease for 20,000 sq ft of office space to PA, which is going to carry out extensive internal modernisation.

The company last year assigned its leasehold interest in another floor of the same building to Boston Consulting Group and has now moved into its new offices in Sugar Quay.

Gordon Linch acted for PA and United Molasses was advised by Hillier Parker May and Rowden.

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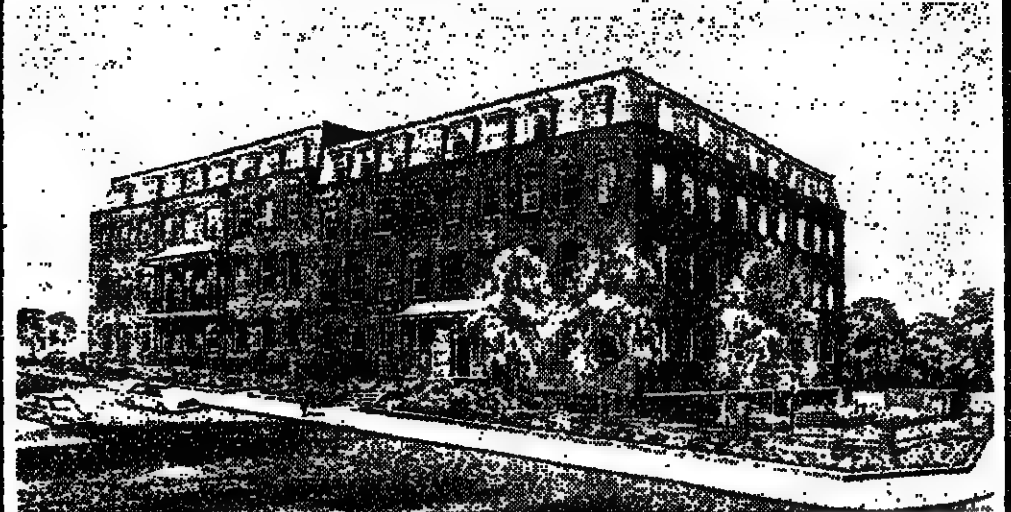
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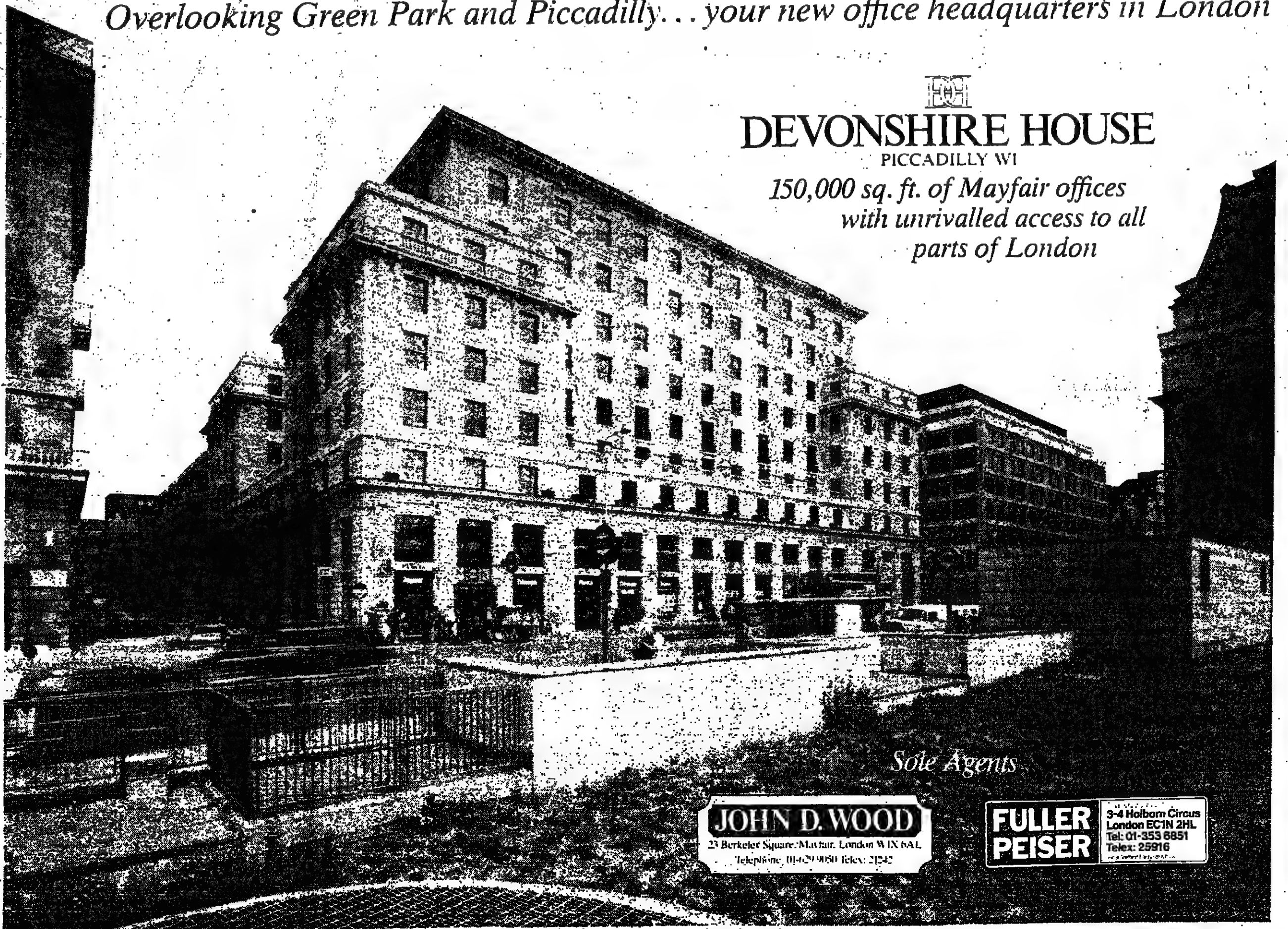
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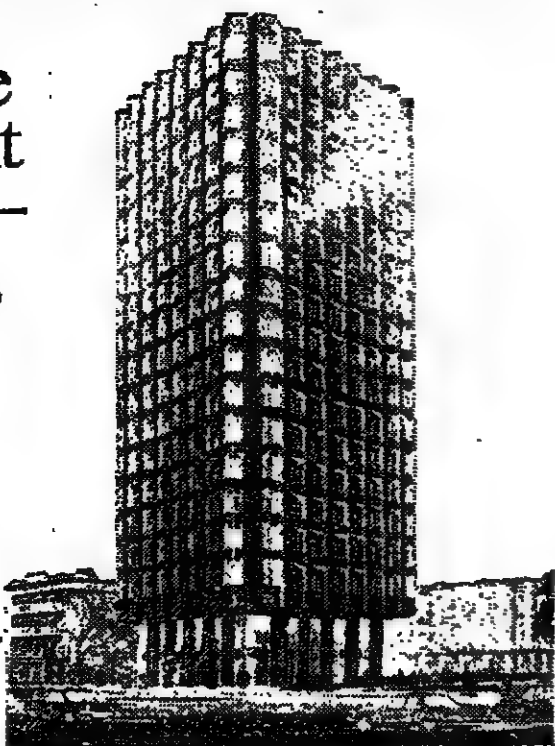
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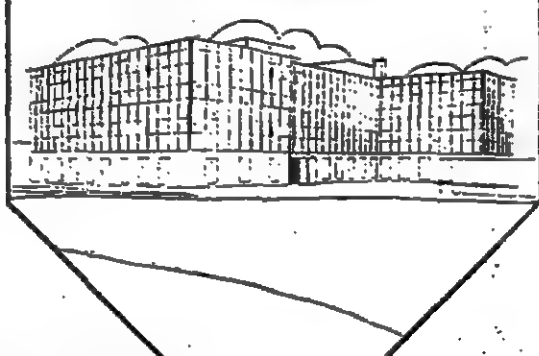
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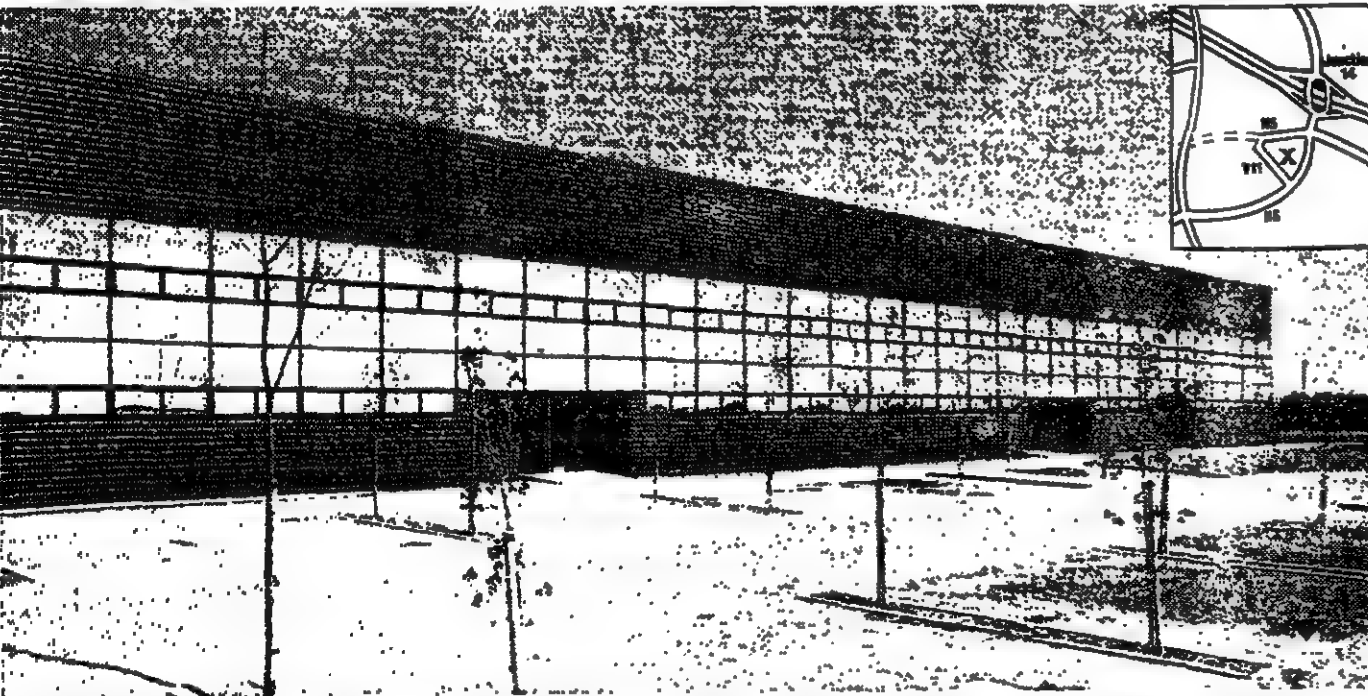
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space news

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LEWISHAM, LONDON S.E.13 Workshops, Offices and Yard 5,300 sq. ft. TO LET	WELLINGTON, Nr. TAUNTON, SOMERSET Single Storey Factory and Offices 7,960 sq. ft. FREEHOLD FOR SALE	CHELSEA, LONDON S.W.10 Industrial Redevelopment Site 59,000 sq. ft. on 0.6 acres FREEHOLD FOR SALE
BASILDON, ESSEX Single Storey Factory/Warehouse with expansion land 122,000 sq. ft. on 7.1 acres TO LET or LEASE FOR SALE	BROOKLANDS, WEYBRIDGE, SURREY New Factories From 40,000 sq. ft. TO LET	BOW, LONDON E.3 Factory/Warehouse with Offices Units from 54,700 sq. ft. — 133,200 sq. ft. TO LET or LEASE FOR SALE

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TO BE LET
8,945 sq. ft. Offices plus 17,355 sq. ft. Warehouse. 4 further Warehouse units from 8,000 sq. ft. approx. Immediate occupation. 20 ft. eaves. Large yard area.

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Total area 11,830 sq. ft.

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or write - Peterborough Development Corporation, PO Box 3,
Touthill Close, Peterborough PE1 1UJ.

ESSO TEORANTA and it is expected that the Board of Esso Teoranta will appoint them as formerly London City office manager, has been appointed assistant general manager Dublin West.

STOCK EXCHANGE REPORT

Markets unsettled further by growing labour militancy

30-Share index down 4.8 more at 501.2—Gilt-edged better

Account Dealing Dates

Option

First Declara- Last Account

Dealings Date Dealings Date

Sep. 18 Sep. 22 Sep. 22 Oct. 10

Oct. 2 Oct. 12 Oct. 13 Oct. 24

Oct. 16 Oct. 26 Oct. 27 Nov. 7

"New time" dealings may take place

from 9.30 a.m. two business days earlier.

The threat of a strike by key

workers at BOC International if

their pay demands are not met,

which came on a market already

undecided by labour troubles,

set the seal for another dull and

nervous day's trading in stock

markets.

Leading Industrials opened

slightly easier, but a few buyers

showed interest at the lower

levels and a better tone developed.

The prospects of further indus-

trial unrest, however, quickly

brought a turnaround in sentiment,

while the warning by Mr. Roy

Bushnell, general secretary of

ASLEF, of trouble ahead if the

Government sticks to its pay

guidelines also had an adverse

effect. Unsettled at 11 am, the

FT 30-Share index fell 0.4, to

501.2, a loss of 0.4 points, 1.1

points below the previous day's

close, and more to lack of con-

fidence in the recovery of the

FT 30-Share index, which was

up 0.4 points, to 501.6, at the

close. The FT 100-Share index

was up 0.4 points, to 1,003.2.

Selling of secondary issues be-

came more widespread as re-

sulted in the near 91 majority

of falls over rises in FT-quoted

industrial and a loss of 1.1 per

cent to 225.6 in the FT-quoted

All-Share index.

Despite a continuing low level

of activity, British Funds took

a better appearance, mainly re-

sulting from a useful recovery

movement at the short end of

the market, where clearing op-

erations were more active than

in previous days. The FT 100-Share

index was up 0.4 points, to 1,003.2.

After a busy institutional day,

the FT 100-Share index was

up 0.4 points, to 1,003.2, at the

close. The FT 30-Share index

was up 0.4 points, to 501.6, at

the close. The FT 100-Share

index was up 0.4 points, to 1,003.2.

Over a third of the 823 deals

completed in Traded (industrial)

transacted in two stocks, Marks

and Spencer, 118, and ICI, 110.

C. T. Bowring lease

A firm market of late following

last week-end's revelation that

the group is planning to merge its

insurance interests with Marsh and

MacLennan Companies, of the

U.S. C. T. Bowring lease

to a 1978 peak of 123p in response

to the sharp increase in interim

earnings. Elsewhere in insurance,

Legal and General rose 6 more to

146p following comment on the

disappointing first-half results,

while Hambro Life declined 7 to

137p, after 37p, in front of today's

interim figures. Prudential also

came on offer at 140p, down 6.

The major clearing banks took

a modest turn for the better in

the trading, with gains ranging

to 3 as in NatWest at 238p. Union

remained friendly in Discounts

at 300p, down 8. UDT, at 43p,

failed to recover an early fall of

2 despite late news that the com-

pany will offer to sell its German

interests.

Interim profits substantially

below market estimates left

George Wimpey 9 down at 87p.

Other Contracting and Con-

struction issues were lower in

sympathy with Taylor Woodrow

down 2 to 132p. Richard

Costain 12 to 244p and Fairclough

4 to 95p. Disappointing interim

results left Aberdeen Construction

5 cheaper at 142p. Elsewhere,

a little more selling than of late

left Blue Circle 4 down at 275p.

Tunnel B 6 down at 102p and

BPS 3 lower at 245p. Despite

profits broadly in line with

expectations, RMC used a penny

at 141p. Benders, big develop-

ment, Barmingers gained 3 to

86p and, following the annual

results, Galford Brindley firmed

a penny to 60p. Renewed specu-

lative buying interest left Brown

and Jackson 4 up at 228p, after

230p.

After a small turnover, ICI

closed 2 down at 200p. Still

reflecting the interim statement,

Fisons shed 6 more to 244p but

averting today's mid-term report

Anchor Chemical firmed 3 to 18p.

Combined English-Civil, a

newly listed at 120p, after 122p

and 122p, following the better-

than-expected interim results.

Leather Stores gained over on

small volume and lack of interest

in the market, but a shade

higher at 100p.

Another day declined 4 to 42p.

After 41p, while Owen Owen

finished a penny lower at 111p,

after 197p, despite the first-half

year profits recovery. Currently

in receipt of a 10p per share

cash offer from Pontas, Midland

Educational fell 10 to 18p, while

Currys, 195p, and Balmors, 84p,

also up a penny and Wallis

declined 3 to 10p.

Electricity contributed their

share of dull spots. Electro-

components fell 13 to 305p, while

Farnell, Electronics, 300p, and

Racal Electronics, 318p, lost 8

spikes, ESR rose 4 to 85p. EMI,

a dull market of late on the

chairman's profits warning, shed

2 to 144p for a loss of 17 so far

this week. Of the isolated firm

spots, Clifford and Snell hardened

to 33p and Lewis Newmark

moved up 10 further to 250p.

Following the interim statement,

Vickers ended 6 down at 188p in

dull Engineering. John Brown

lost a similar amount to 442p and

GRN declined 5 to 274p, the

close a large part of its industrial

division largely because

of competition from the Far East.

Elsewhere, APV, 238p, and Hunt

and Moscrop, 26p, cheapened 7

and 31 respectively following

trading news, while James Neill

softened a penny to 103p in

front of today's interim figures. Haden

Metal Box shed 8 to 350p as did

Pilkington, to 307p. Beecham

ended 6 to 717p and Unilever

closed the same amount off at

564p. Glaxo, however, again dis-

played resilience and closed 3

dearer at 630p on further buying

interest ahead of interim results

due on October 9. Secondary

issues generally gave ground but

Huntleigh were a notable exception

at 174p, up 14, following

speculative buying in a thin

market. Wharfedale Reeve Anzel

tell 23 to 265p in reaction to the

lower interim profits, while recent

investment favouring ICI gave up

8 to 426p. Vinten declined 9 to

107p.

Printings, J. and J. Makin at 107p

made no response to the higher

annual profits, and Woodrow

Wyatt, 13p, were unmoved by the

reduced loss.

Leading Properties recovered

small falls to close virtually

unchanged on balance, but

secondary issues sustained losses

to 6. Baskerville were that much

cheaper at 244p, while Bradford

23p, Chesterfield, 350p, and

Churchbury Estates, 325p, all shed

5. Property and Reversionary "A"

and Trafford Park Estates eased

similarly at 620p and 125p respec-

tively, as did Apex, to 253p.

Investment premium and securi-

ties rose.

Activity in Gilt-edged remained

at a low level throughout the day,

with prices marked up at the

opening reflecting the overnight

firmness of bullion in New York,

but then easing back owing to

lack of interest.

The Gold Mines index fell 3.2

more to 170.1 for a three-day

decline of 9.9. Heavyweights

showed losses ranging to 1, as in

Randfontein, 236p, and Val Reefs,

231p, while among the lower-

priced stocks Klondike dropped 24

to 345p and Welkom 8 to 218p.

Trading in South Africans was

also subdued. Anglo American

Corporation and De Beers were

both around 2 cheaper at 342p

and 320p respectively. Transvaal

Consolidated Land slipped 1 to

113p. Afrimex Lease gave up

10 to 370p, in the annual report

published today the chairman

says that a decision to develop the

various mines cannot be taken

until financing discussions with

the South African Government

are completed and that these

will take several months.

London registered Financials

ended with UK equities

Rio Tinto-Zinc were persistently

solid and fell to 240p before

closing a net 4 lower at 242p.

Charter Consolidated and Gold

Fields fell a similar amount to

130p and 150p respectively, while

Selection Trust declined 14 to

47p.

This staged a modest recovery

following far eastern buying.

Southern Finance were particularly

firm and finally 15 to the good at

218p. Ayer, Htam, 330p and

Tronoh, 230p both improved

around 5 following their dividend

declarations.

American diamond exploration

issues again attracted a lively

two-way trade. Over Exploration

and Spargos both edged up 3 to

31p and 32p respectively, but

Northern Mining encountered

profit-taking and eased 4 to 18p.

Uraniums were dull. Pancontinental

giving up 3 to 110p.

ACTIVE STOCKS

No. of

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Accum.	55.1	90.6	...	1
to East Pd.	\$1,234.32	1
to Int. Fund.	\$1,234.32	1
to Foreign Pd.	\$1,234.32	1
to S. Gov't. Pd.	\$1,234.32	...	...	1
to Bermuda	\$1,234.32	...	...	1
to Panama	\$1,234.32	...	...	1
to DM	39.50	31.00	...	1
to act as London paying agents only.				

Bonds Bk. (C.I.) UT Mgrs.
 to Int. Sec. Helms, Jersey 0534 276
 to Int. Sec. Helms 163 1 66 Aug 1 0.8
 Next dealing date October 15.

Bonds Bank Intl. Geneva.
 to East Pd. A.P.O. Box 438 1211 Geneva 1
 to Int. Fund. SF208 323 0 1
 to Int. Income SF267 228 0 1

G Group
 Quags, Tower Hill EC3R 6BQ 01-425 43
 to Sept 26 1953 13 39
 to Sept 26 1953 13 39
 to Sept 26 1953 13 39

[illegible]

Sept 15 -	66.82	-	1	.....	-
Amix International					
77 St. Peter Port, Guernsey.					
Dollar Fund [2.62	2.62	[0.01]	-		
Capital Fund Mgmt. (Jersey) Ltd.					
Box 194 St. Helier, Jersey				0534 2744	
Instl Fed Ind L	95.6	95.6	.....	-
Instl Fed Ind L	100.0	100.0	.....	-
Instl Fed Ind L	100.0	100.0	.....	-
Oct at Sept. 27. Next dealing Oct. 4					
Ammond Life Ass. Ltd.					
100 Street Douglas, J.M.				0534 2362	
Silver Trust	129.3	112.0	-0.8		
Sum Bond Sd	178.6	188.0	+0.7	16.0	
Sum Bond Sd	154.0	147.1	-0.5	-	
Sum Bond Sd	156.3	156.3	.....	-
Sum Bond Sd	156.9	173.8	-0.7	12.4	
Child Asset Management (C.I.)					

198 S. St. Julienne Ct. Guernsey 0462	26323		
Fr. Aug 31	37.4	60.0	2.63
Fr. Sept. 1	161.5	171.0	3.00
Fr. Sept. 15	155.0	165.0	3.00
CoFdg Aug 15	154.0	163.0	3.00
Commodity	145.0	155.1	3.10
11/11/82	122.4	131.0	4.20
on September 21			
Next dealing Oct. 2			
Schlud Asset Mgmt. (Bernmda)			
on 654, Bl. of Bermuda Bld. Bernmda			
on America Fd. 30520	1	1	
on Sept. 23			
Next dealing Oct. 3			
Trust (Cl) Fd. Mgt. Ltd.			
114, Royal Tel. Hse. Jersey 0634	2744		
17.04.	1137.2	10.35	3.96
11/11/82	40.0	40.0	3.21
on Sept. 26			
Next dealing Oct. 3			
* * * Prosper International			

St. S. Helier, Jersey		0834-20256	
dom. int. %	4.30	5.80	7.30
dom. ex. %	7.60	—	—
Gr. %	11.60	55.30	—
American %	5.97	4.30	—
—	12.59	17.90	—
dom. int. %	247.9	261.8	—
dom. ex. %	165.8	-1.7	2.45
Gr. %	116.2	—	—
—	332.1	339.1	—
—	280.3	100.0	0.23
—	11.6	—	—
on Sep. 26	Sept. 27	Sept. 28	
St. Helier International Mgmt. Ltd. St. Helier, Jersey 0834 73898			
dom. int. %	8.90	9.90	8.45
dom. ex. %	0.92	0.97	-0.01
Gr. %	10.9	11.4	1.00
American %	109.15	-1.24	3.17
—	11.95	12.10	2.00
—	100	1.07	2.80
Next pub. day October 4			

[illegible]

Non-PA, EC4.		01-24-83	8646
Sept. 1 -	\$75.49	28.58	5.96
Sept. 1 -	\$0.54	0.00	1.55
Global Management Limited			
3315 St. Helier, Jersey 0534-7145			
Trust -	192.93	97.82	-
West (Jersey) Ltd. (x)			
Hac. Don. Rd. St. Helier, Jcy. 0534-5728			
Adm. Ind. Trs.	127.79	7.94	6.07
Trust -	131.54	11.72	5.19
Hac. Trs.	131.53	11.72	5.19
Unit Trust Managers (C.I.) Ltd.			
Unit Rd., St. Saviour, Jersey. 0534-7349			
Fund -	51.2	53.9	4.65
Inv Fund -	51.2	53.9	4.65
© on Pacific 27. Next pub day Oct. 4.			
Pacific Holdings N.V.			
Management Co. N.V., Curacao.			
AV per share Sept. 31 AUGUST 83			

Pacific Hldgs. (Seaboard) N.V.			
Management Co N.V., Curacao			
AV per share	25	US\$1.04.	
Oil Group			
1228 Hamilton St, Bermuda	2-2789		
Capital	51,513.38	1.39	6.00
Unpaid	14,511.98	2.69	0.01
Sept. 21	51,320.20	2.08	—
S. Heller, Jersey		8534	3733.1
Sept. 28	59.00	8.60	-1.10
Unpaid	512.30	13.70	1.15
Sept 30	90.5	97.0	0.2
Shares	90.5	97.0	0.2
Sept. 27	219.6	232.8	—
Ac. 1/4	310.0	310.0	—
Sept. 27	104.1	104.1	—
Shares	144.0	144.0	—
Home Douglas, Is ¹			
Sept. 21	136.2		
mut. Ma			

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Journal of Management Studies, 19(1), 67-80.

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BRITISH FUNDS

High Low Stock Price Div. Yield
"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	Div.	Yield
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00
100.00	99.50	British Fund	100.00	1.00	1.00

AMERICANS

High	Low	Stock	Price	Div.	Yield
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00
100.00	99.50	American Fund	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00
100.00	99.50	Over Fifteen Years	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00
100.00	99.50	Updated	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00
100.00	99.50	INTERNATIONAL BANK	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00
100.00	99.50	CORPORATION LOANS	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00
100.00	99.50	COMMONWEALTH & AFRICAN LOANS	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00
100.00	99.50	LOANS	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00
100.00	99.50	Public Board and Ind.	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00
100.00	99.50	Financial	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00
100.00	99.50	FOREIGN BONDS & RAILS	100.00	1.00	1.00

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BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Div.	Yield
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00
100.00	99.50	Beers, Wines and Spirits	100.00	1.00	1.00

High	Low	Stock	Price	Div.	Yield
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
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100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00
100.00	99.50	Building Industry, Timber and Roads	100.00	1.00	1.00

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